Previous references.

1907-5
(Genl Fin)

File No. 29-05

Serial Nos. 9 to 11, 14 to 19.

Later references.

fl: 9-777

9 SS 7, 10 d 13. 9.7.127-8

9.7127

Sept 2 Sec 52 53

Jg. 17. 1917-18 Sl. 1, 2, 4, 6, 13, 14, 16, 22, 26, 35, 132. Dec 1915.

GENERAL AND REVENUE SECRETARIAT.

" 23-19 Sec: 142, B May 1919.

G.F. 113-25 1+2+3.

Serial Nos. 9 – 11, & 14 – 19

Part B. for Aug, 07

SUBJECT.

Grant of loan to and the settle of Mr Basappagurs' debts.

a) From Mr D. Sitaramia Rao, Agent & Ex for the Settlement. No. A. 9 & 8.06 (2.57 Submits a preliminary report on the actual condition of the Bhakshi's affairs & Solicit Sanction to an advance of Rs. 7,5 to settle up finally all the secured deb and to get transferred to, & in the name profits.

10) To Mr D. Sitaramia Rao No 20 20 & 20.7 G. R. S. 56 Calls for a detailed a/c to extent of his title thereto, extent of encumbrances, of management &c

R. S. 117

1906. I

GENERAL AND REVENUE SECRETARIAT.

(Gen: Fin)

NOTES.

File No. 29-05.

FILE HEADING.

Settlement of the affairs of M/ Bakshi Bassappaji Rao.

M/ D. Sitharama Rao, Agent of Govt for the Settlement

No. A. Dated 6.8.06 Received 7.8.06.

No. 579	Encls. 1	Spare Copies. --	Serial No. 9.

BRIEF ABSTRACT OF LETTER.

a preliminary report on the actual condition
akshi's affairs, and solicits Sanction to an advance
ees of Rupees to settle & finally all the secured
d to get transfered to Govt: the mortgaged properties.

NOTES AND ORDERS.

M/ D. Sitharama Rao Suggests that the
creditors may be immediately paid according
to the terms indicated in the report submitted
by Messers V. N. Narasimhan & N. Narasinga Rao on the 5
Aug: 1904. and States that in order to relieve M/ Bassappaji

completely of his secured & unsecured debts, the Sum of Rs. 1,76,000 + odd required by the first Committee would be sufficient, he values the immoveable properties belonging to the Military Bakshi at about 2 lakhs of Rupees. Mr. Sasadhaji Rao & his son have executed a Muchalika Signifying their consent to sell their immoveable properties absolutely & submitted for orders, if Any

K.S. 7/8/06.

Dunlop 8.8.06

Please draft and submit an order directing Mr Sitarama Rao, as Agent of [illegible] in the matter, to obtain, in the first place, an absolute sale to Govt. of all the properties mentioned in the Schedule to the Muchalika, the consideration being the discharge by Govt of the mortgage & decree subsisting on the date of the document against the properties of the Bakshi, and of the unsecured claims as could be discharged out of a total sum of Rs 1,76,000, the creditors, however, not being entitled to claim any balance that may be [illegible]

Serial No.

letter of the Govt of Bhawalpur

The services of the Public Prosecutor may be utilised by Mr Kitabwala as in drawing up the document.

An advance of 1½ lakhs of rupees will, as desired, be placed at the disposal of Mr Kitabwala for the purpose mentioned in para 3 of his letter (Ghulam Jilani) but no disbursements will be made by him till the deed of sale has been executed and registered.

Full information regarding the extent & value of the properties, the gross income that may be expected therefrom, the net income after deducting expenses of management, the mode & time in which the money laid out by Govt is to be recouped, & other particulars should be submitted in due course.

Is it necessary to consult the Comptroller about the money? It is really a loan; but to prevent the Bakhshi further misusing himself it is proposed to disable him by selling him to convey his properties to Govt with the understanding that they

On further consideration I am not sure that this condition need be insisted on. If creditors know that Govt have placed themselves in the shoes of the Bakhshi, they may stand out for the whole amount to one-third of the debts.

These details should, I suggest, be settled before the loan is sanctioned, but the particulars of the case, and, more especially, such as to require decision to be taken by Govt, & in anticipation of such enquiries -

Serial No.

would be recouped after the remainder is recouped from the net income of the year.

Please draw up the order in consultation with the Under Secy Judicial Branch.

14/8/06

submitted with a draft for approval.

K.S.

14.8.06.

A draft order is put up. The amount proposed to be advanced is large and as a question of ways & means it seems necessary to consult the Comptr. Subd to Secy thro' the Under Secy Branch III

16-8-06

64

16.8.06

Sub

16-8-06 draft sent in Pr III. vide pencil alterations in the draft.

17.8.06

I think it is desirable to consult both the Govt Advocate and the Comptroller in the matter.

Dear

Amended (in the first instance) & the Govt Advocate for opinion &c

Please attach papers of this file.

178 21-8-

5 files of papers as per list above

GPB—50,000—23.10.05

Serial No.

Whether the procedure propose in the draft order will be sufficient to safeguard the interests of Government and also enable Govt. to free the Bakarganj estate from debt.

[illegible]

20.8.

1106/7 Regd No 3

The main object seems to be to free Mr. B. Das from his liabilities and at the same time to secure the repayment of the amount advanced for the purpose from the immovable properties which are to be conveyed to Govt. As it is said that all the creditors cannot be induced to accept any definite proportion of their dues in full satisfaction of their claims the next best mode of accomplishing the said object is to buy up all the debts or (in other words) to obtain assignments of the debts from the creditors each of whom may be induced to forego as much of the debt as possible

G.R.S. 12]
General and Revenue Secretariat.

File No. 24 of 1905-6

Serial No.

A sale deed may then be ob
from the Mr. B. Govs. for the amount
thus advanced, Some of the unsecu
creditors are said to have obtain
decrees and attached some of
lands. They should be freed from
attachments before the conveyan
is taken. In order to prevent
any of the dissatisfied unsecur
creditors from placing the lan
again under attachment & recov
on their debts being paid in full
the Sale may be effected as soo
as the assignments of the mor
are obtained: I have note
in pencil some alterations
para 4 of the proposed order
seems the objects wanted ab
23.8.06. S. Nanjunda
Govt. Advoc

The alterations seem suitable, & will be accepted by

Rs 71.20 & 25-8-06 Forwarded to the Comptroller
Encl as per list
opinion in regard to Govt. secd rec
the amount of the mortgage sale
is Rs 1½ Lakhs
Secretariat
25-8-06

Note—Contn. sheet

MGCPB—50,000— 24-7-05

G.R.S. 12]

General and Revenue Secretariat.

File No. 29 of 1905-6

Serial No.

Nos / Nos 30 & 25-8-06.

I am afraid I can not undertake, or Council-Government, to find money for the present purpose till the results of the recent Income Tax announcements are known. If the full amount of 20 Lakhs is not Taken and We have to go on with the Third Currency Scheme, there will be heavy Cash Payments for Saving Bank withdrawals and We may have to sell Government of Paper at a terrible loss.

I must therefore ask that the Case may be held over till the End of September.

M. Rama Rao
25.8.06.

Please make a clean copy of the draft, including the additions made by the Joint Secretary, and submit the file.

25/8/06

Typed copy of the draft embodying the additions is submitted.

K.S. 28/8.

To Diwan for instructions.

M. Rama Rao 27/8/06

28/8/06

MGCPB—50.000— 24-7-05

G.R.S. 12]

General and Revenue Secretariat. | File No. | of 190

Serial No.

No 1156

Bangalore,

28th August 1906

Dear Mr Macönochie

I send herewith for information, the file regarding the loan applied for by Mr. Basappaji Urs. The Comptroller represents his inability to find the requisite funds till the end of September when the result of the new loan scheme will be known. I shall therefore defer further action in the matter till the end of September, but shall, in the meanwhile, get completed the necessary enquiries as to the value of and title to the property, the extent of indebtedness and the mode of future management &c.

Yours Sincerely

M Madhava Rao

Seen by His Highness

returned with thanks

29/8

GPB—50,000—23 10-05

G.R.S. 12]
General and Revenue Secretariat.

File No. 29 of 1905-6

Serial No.

Dewan's order.

Please see D.O. letter attached. Needful action may be taken to ascertain extent of property, title thereto, extent of encumbrances, mode of management &c. Suitable instructions should be communicated to Mr Sitharamarao.

R.O.
1883
30/8/06

Please put up draft accordingly.

Sec'y
Draft submitted as per orders.
K.S.
31.8.06

31-8-06

Done accordingly.

D.O.
Mr. D. Sitharamarao Rao,
No: H. 2020 dated 10.9.06.
Requests him to report on the extent & market value of all the properties belonging to the Bakshi, the extent

MGCPB—50,000— 24-7-05

Serial No.

of Encumbrances thereon, the Soundness of his title thereto, the gross annual income that may be expected to accrue therefrom, the net income after deducting Expenses of management, interest at 4% per annum on the loan to be made by Govt:, &c:
and to Submit a draft of the Sale deed to be executed by the Military Bakshi & his Son, conveying absolutely to Govt: all the properties belonging to them with possession thereof, in consideration of the discharge by Govt: at cost & at exceeding Rs: 1,76,000 in all, of the mortgages & decrees Subsisting on the date of the document against the said properties & the Bakshi personally & of such other unsecured claims as could be discharged out of the said Sum of Rs: 1,76,000 |:

no: H. 2021 dtd 10-9-06,

Copy to the Govt: Advocate in Mysore.

From Mr. D. Sitaramaraos,

no. 191 dtd 11. 10. 06.

Encloses for information duplicate copies of Summons received from the Principal Munsiff of Mysore

MGCPB—50,000— 24-7-05

G.R.S. 12J

General and Revenue Secretariat.

Gl. Sec. File No. 29 of 1905-6.

Serial No.

14 From Mr. D. Sitharama Rao, No: B 9, 19-4-06

Submits a report called for in Sl: 10

The present report differs materially from that of the 6th August 1904, viz: that submitted by Messers V. N. Narasimhiengar & H. Narasinga Rau in every particular, as shown below:—.

	1904.	1906.
Valuation of the properties.	1,11,904.	2,00,401
Resources for repayment,	3,500.	8,511
Extent of liabilities (annually)	2,57,083.	3,95,00

Mr. D. Sitharama Rao proposes to discharge these liabilities out of the promised Loan of 1,76,000 + out of the resources indicated in para 15 of his report.

Taking 8510 as the amount of annual instalment the loan of 1,76,000 is repayable in 45 years, at 4%. But Mr. D. Sitharama Rao proposes to reduce the interest to 3½ or even to 3%.

As regards the management of the properties, Mr. Sitharama Rao proposes that they may well be left with Mr. Balaffaji Urs, Subject to the general direction of the Dy. Comr. of Mysore & Hassan. In securing the punctual repayment of the instalments, he suggests that the provisions of Sections 150, 166, & 167 of the Land Rev: Code may be applied.

As regards the document to be executed, he wishes to have the draft deed already in the file.

Submitted for orders. K.S. 7.VI.06.

CPB—50000—23.10.05

G.R.S. 12j

General and Revenue Secretariat.

Gen. Sec. File No. 29 of 1905-6

Serial No.

valuation of the properties.

(1) The lands in the Bogavalu Vodayanapura village, Nanjangud Taluk, are not apparently worth the price placed on them by Mr.Sitarama Rao. The income from these lands does not eve suffice for the payment of Government dues ar it is not clear how they have been valued at Rs 25 per acre. The valuation of the lands ir Vedavanahalli at Rs 25 an acre is based on a Mahazar but as the income of these lands is not given in the statement sent by the Deputy Commissioner it is not possible to say if thi estimate of their value is fair. The information given by the Deputy Commissioner in the column showing the 'ield' is very indefinite, and it is doubtful if the lands are worth the price placed on them. The enhancement of the value of the lands in the Bogavalu village on the ground that the lands in Vedavanahalli have been taken at a higher value does not seem to be warranted.

(2) The Hundi Tota is valued at Rs 10,000 and Mr.Sitarama Rao says that it may be taken as worth Rs 4000 more. From the statement sent by the Deputy Commissioner it is seen that th average annual net income from this property is only Rs 128-4-0 that is about 1¼ per cent on Rs 10,000. Any improvement since effected can only slightly increase this abnormally low rate of income and cannot justify any addition to the value of the property which is, considering its income, already overvalue

GPB—50,000—23-10-05

Serial No.

B
(Linked to (6))

(3) The building called the "Chattram" opposite to the Devaraja Mohalla Market in the Mysore City does not seem to yield a monthly rent of Rs 200/- as stated by Mr.Sitarama Rao. The detailed statement furnished by the Deputy Commissioner shows that the gross rent is only about Rs 1500/- and deducting from it Municipal taxes and charges on account of repairs, the net income is only about Rs 1375 that is, only about Rs 115 a month. The property cannot be taken to have been undervalued under the circumstances.

(4) Mr.Sitarama Rao estimates the value of the Taragalale villages in the Arkalgud Taluk at Rs 60,000. This appears to be an overvaluation. Mr.Devaraj Urs who made enquiries in the matter in May 1902 did not consider the property worth more than Rs 30,000.

(5) Horeyala village is taken at Rs 7000 by Mr.Sitarama Rao. The value of the wet land in the Laksoge village is calculated at about Rs 165 per acre. The correctness of these valuations have to be ascertained by reference to the local Revenue authorities.

(6) Taking the value of the Horeyalu village at Rs 7000, of the Taragalale villages at Rs 30,000 and of the wet lands in the Laksoge village at Rs 2000, an addition of Rs 39,000 may be made to the original estimate of Rs I,II,906. The total value will then stand at Rs I,50,906.

(7) The original estimate of the net annual income from all the properties of Mr.Basappaji Urs is stated to be " far too low " by Mr.Sitarama Rao.

GPB—50,000—23-10-05

Serial No.

Some of the items of income estimated by him cannot be verified as full information on this point was not furnished by the Deputy Commissioners of Hassan and Mysore when they supplied details regarding Mr.Basappaji Urs' properties. In some cases where they have given details, Mr.Sitarama Rao's estimates of income are considerably higher than the calculations made by the Deputy Commissioners. For example, Mr.Sitarama Rao estimates that the Chattram at Mysore yields Rs 2000 per annum, while the Deputy Commissioner's estimate was only Rs 1375.

(8) The Hundi Tota and lands in the Belavatta village, Hadjana village, Bogayala Vadayanapura, do not seem to yield the income expected by Mr. Sitarama Rao.

(9) Considering the low income (Rs 550) during the last decade from the Taragalale villages, it is doubtful if Mr.Sitarama Rao's estimate of Rs 2000 a year is not too sanguine. The enquiry suggested by Mr.Sitarama Rao will have to be made to ascertain the exact income.

Sl. No. II in the report.

(10) The total net income estimated by Mr.Sitarama Rao is Rs 8510, of which Rs 4410 represent the income from Mr.Basappaji Urs' lands in the Mysore, Nanjangud and Gundlupet Taluks; but on what data this calculation has been made is not clear.

Rate of Interest.

(11) Mr.Sitarama Rao recommends, in view of the special circumstances of the case, that a low rate of interest may be charged on the loan and has given calculations of the time it would take for the loan

Serial No.

to be repaid at three different rates of interest viz, 4, 3½ and 3 per cent.

(12) He proposes to utilize Mr.Basappaji Urs' pay of Rs 400 either for payment of the debts which cannot be discharged with the Government loan or to make up the deficiency in the net income now calculated as available for the repayment of the Government loan. As Mr.Basappaji Urs has offered this for repaying the loan and as the net revenue from his property is so small, it seems advisable to appropriate the whole of his pay as Military Bukshi towards the repayment of the loan.

Or rather, such portion as may not be attached by creditors

His liabilities & mode of discharging. Q.

(13) The total liabilities of Mr.Basappaji Urs' is reported by Mr.Sitarama Rao to be Rs 3,94,612 against Rs 3,36,950 reported by Messrs V. Narasimha Iyengar and N.Narasinga Rao. He however hopes to discharge the whole of these liabilities with the amount of Rs 1,76,000 promised by Government.

(14) As a reserve for contingencies, he requests he may be permitted to utilize to the extent necessary certain amounts specified in para 15 of his letter. There seems to be no objection to do this, if Mr.Basappaji Urs is agreeable and if the amounts are available. No advance on account of Mr.Basappaji Urs' pay as Military Bukshi can however be made as stated in item No.I.

Management of properties -

(15) As regards the arrangements necessary for the management of the properties, Mr.Sitarama Rao suggests that sections 150, 166 and 167 of the Land Revenue Code may be applied to the case. On this point Branch I may be consulted.

(16) He also suggests that Mr.Basappaji Urs may

GPB—50,000—23-10-05

Serial No.

be made the Superintendent of the Estates and th
4 buildings in the Mysore City may be left in hi
possession and enjoyment. Mr.Basappaji Urs has
apparently been very successful in managing his
properties and it seems best to leave their
management in the hands of Government Officers.
(17). It is not clear why 4 buildings are propos
to be excepted. That required for Mr.Basappaji U
rersonal residence can alone deserve exception f
the reasons mentioned by Mr.Sitarama Rao. The
draft agreement referred to in para 17 of his
letter may be sent to Mr.Sitarama Rao.

I am inclined to think so too. K

384 K

This may be done. K

Subt to Secy
8/11/06

Consult the Judicial Secy Dept & Revenue Branch about para 4 & refer again to the Comptroller about the rs required for the advance.

I am doubtful of the applicability either of S. 150 or S. 166 to a case of this description. S. 150 is merely precautionary and the description given by it is intended to be exercised only in cases where owing to defects among coparceners or other causes there is apprehension that the land revenue will not

GPB--50,000--23-10-05

Serial No.

be paid as it becomes due. S. 165 applies only after the arrears become actually due. Both these sections are intended to provide only for cases of the recovery of arrears of land revenue and although by virtue of S. 153 it would apply to all demands which are recoverable as arrears of land revenue, it is doubtful whether they can be stretched so as to include the present case which is an ordinary loan advanced by Govt for the liquidation of a private debt although it may be to one of a disinguished family

Govt Govt is going to purchase the Bakshis rights for a consideration, and there cannot be any difficulty in arranging for the management of what will eventually be Govt lands

[illegible] 13/11/06

[illegible] 10.11.06

No 7692 of 12-11-06 from Secretariat to Comptroller for favour of opinion regarding the money required for granting the loans

BO
Mr Monteath
for Secy
10.11.06

No 111 of 13-11-06.

I am sorry to report that I am unable to spare funds for this purpose before March next. The Authorities

Serial No.

failure has completely upon the Madras market and there is no hope that We shall be able to sell Government paper at a fair rate. If Govt are satisfied that the loan should be given to secure a bona fide public object and that the securities are ample, then the officers concerned may be instructed to make all preliminary arrangements for the loan pending supply of funds in March 1907.

Lt Broad
13.11.06.

I think it is very desirable that an early decision should be arrived at as to whether the Bakki affairs are to be taken in hand by Govt or not. If, in consideration of Mr Basappaji's distinguished [redacted] & lineage, Govt wish to treat the case as an exceptional one, even at some risk of inadequate security, there is nothing to be said. It must be confessed, however, that otherwise the conditions postulated by the Comptroller cannot be stated to fully subsist.

The matter may be put up.

Vide Addl Secretary's D. 11-6, in which Lt Biswanadha's details are shown to be over-sanguine.

NOTE—Contn. sheet

(G.R.S. 12)
General and Revenue Secretariat.

File No. 29 of 1905-6

Serial No.

before Council.

P.J. Mr Sitaram Rao has 13.11.06
made written application for very earfully
in view of the existence of circumstances.
Divn) 13.11.06

2876/13.11.06

may be placed before Council

BO
CSB
13/11/06

Circulate .. 13/11/06

note 7716

I don't think that this is a
suitable case for sanction -
On the contrary it seems to me (if
I may venture to make the suggestion)
to be eminently a case for Palace
action -

I don't know under what rule or
Regulation Govt funds may be advanced
as proposed, & assumed by placing
the villages under the Public Works
Management - Management
under Govt Rules & by Govt Method
will be somewhat inelastic and
even unpleasable to the ~~Petitioner~~ Petitioner -

Management by the Palace Dept
will be more sympathetic and
appropriate

GPB—50,000—23-10-05

G.R.S. 12]

ıral and Revenue Secretariat.

File No. 29 of 1905-6

Serial No.

Appropriate & the present circs of years wages - If the Bakshi is ever [illegible] the wages on account of his debts, it would be desirable that the wages should become Palace property rather than Govt property or private property by Govt selling them -

The creditors of the Bakshi would be more amenable to equitable settlements & low rates of interest if the funds were advanced by the Palace than they would if the [illegible] are advanced by the State -

[illegible] 6 Dec 06

4/1/06

The Comptroller postulates two conditions before the loan is sanctioned. viz that it is for securing a bonafide public object and that the securities are ample.

If the granting of loans to encumbered Mansabars is acknowledged to be in pur-

GPB—50,000—23 10-05

- therance

Serial No.

of a benafide private object
a portion the granting of
a loan in the present case
may well be considered to
fall within the same cate
gory. Mr Bakshi Basappa
urs is very closely connected
with the Mysore Royal Hous
and he was the friend &
Companion of H H the
late Maharaja. The Mysor
State is interested in
saving the estates of the
family from passing into
the hands of the creditors.
Whatever concerns the
well being of the near
relatives of H H the Maharaja
is a matter of public interest
& public concern. The
State cannot stand by
and see the wreckage
of the family. It is bound
to extend a helping hand
and save the prestige &

GPB—50,000—23-10-05

Serial No.

and disparity of the loans
Instances are not wanting
of loans having been
demanded in such case

Agrahar Nanjaraj Urs	105,00
Sarvadikari Do	16,00
Siva samudram Jaghirdar	35,00
Musahib Rama Rao	25,00
B. Gopalienger	20,00
Siddaraje Urs	29,00
Nandagudi Jain	65,00
Veene Subbam	48,00
Inamdar Venkata	45,00
Thippiahs Jain	30,00

The most recent case
is that of Mr Palavoi
Devaraj Urs & from a
loan of Rs 2,80,000 was
made.

Please see Gr Proceedings
5549-57 Fin 472 of 17th Decr 89
and 7835-42 R & 28-97 of
29th April 1892.

It will be thus seen that

precedents are not wanting for such a loan - and that this is merely an extension of the principle already recognized & acted upon by Govt in the above quoted proceedings.

If the Palace can come to the aid of Mr Basappa, Mrs, well and good. But if this cannot be done, the State should not hesitate to go to his rescue in his present difficulties. This Consideration is all the more important in a native State where the rule of the Maharaja is personal and not as in British India impersonal.

As regards the adequacy of the security Mr V N Narsimha Rangan estimated the property at Rs 1,12,000

Serial No.

and Mr SitaRamaRao estimates it now at Rs 2 lakhs. Probably the truth lies midway. But as pointed out by the Secretary, we should be prepared for some risk of inadequate security in a case of this kind.

If the loan is granted all the properties should I think be taken under Government management except the residence of the Bakshi & any other necessary buildings.

Time is of great moment in effecting a settlement with the creditors. The money should be placed at the disposal of Mr SitaRamaRao as soon as possible.

W Kettlewell
2d Councillor

The Dewan desires that this may be brought up at the Council meeting tomorrow.
Secy
29/1/07

9/1/1907

GPB—50,000—23-11-05

GENERAL AND REVENUE SECRETARIAT.

Council matter.

Subject.

Grant of a loan to Mr.Bakshi Basappaji Urs.

Circulated to Councillors.

By Order,

20th November 1906.

for Secretary.

T.Ananda Row, Esquire, B.A.,
First Councillor.

18.9.1906

K.P.Puttanna Chetty, Esquire,
Second Councillor.

Submitted to His Highness.

The long pending question of the settlement of Mr. Basappaji Urs' debts has already been before His Highness more than once.

To recapitulate the past history of the case, it may be mentioned that in 1898, Mr. Bakshi Basappaji Urs applied for a loan of two lakhs on the mortgage of certain Inam villages, but he was told in January 1899 that the security was not sufficient for a loan under the Rules for the relief of encumbered Jaghirdars. In February 1899, he made a further representation offering additional security and in endorsement No.Fl.650 dated 1st September 1903, Government promised to advance him a sum of about Rs.1,25,00(if he placed his affairs in liquidation in the hands of two trustees to be nominated by Government, and provided his creditors were willing to receive a rateable portion and give discharges in full satisfaction of their debts.

Mr. Basappaji Urs having agreed to the above conditions, Government in Order No.Fl.1300-3 dated 19th November 1903, appointed Messrs. V.N. Narasimmiengar, the then Palace Controller, and H. Narasinga Rao, Advocate, trustees for the settlement of Mr. Basappaji Urs' debts and promised to instruct the Comptroller to place funds in their hands on their submitting a report that a satisfactory arrangement was arrived at with the creditors.

The report submitted by the Trustees in August 1904, showed that such a large sum as Rs.1,76,730-4-6, or Rs.51,730-4-6 in excess of the sum proposed to be given was actually required to liquidate the debts on certain

terms, and that some of the creditors were also unwilling to accept the terms.

As however, the total income of the properties which Mr. Basappaji Urs had agreed to give as security together with his pay of Rs.4,800 per annum, was calculated to leave but a small margin of about Rs.300 for liquidating the principal, the Government directed the Trustees to make efforts to still further reduce the total debt. (Fl. 1842-3/63-95 dated 24th September 1904).

The trustees having in their letter No.73 dated 13th October 1904, expressed their inability to further reduce the liabilities, and the market value of the properties offered as security having been estimated at Rs. 1,31,000, Government ~~expressed the opinion~~ intimated that they would be under the necessity of withdrawing the sanction given for the loan of Rs.1,25,000 and that the additional loan of Rs.51,730 could not be granted.

Meanwhile Messrs. H. Nanjundaraj Urs and B.Ramakrishna Rao were requested to take up the matter if the creditors showed any inclination to come to terms. These gentlemen explained to the creditors the whole situation and in a report submitted in April 1905, they stated that secured debts alone aggregated Rs.1,22,353-4-6, while debts under other heads such as Pro-Notes and shop bills, aggregated Rs.1,34,730-10-3; that the loan promised to be advanced by Government would only allow of distribution at the rate of 12 annas in the rupee of the principal in the case of the former and 4 annas in the rupee of the principa in the case of the latter creditors; and that secured creditors would not accept anything less than the whole of the principal. They suggested therefore that Government might declare that their sanction to the loan would be withdrawn, if the creditors did not accept the terms proposed

the two trustees within a period to be fixed, say 6 nths.

Subsequently Mr. Nanjundaraj Urs reported on 3rd May 1905, that on further negotiations with most of ie first and second hypothecatees, he was able to obtain ieir consent to receive dividends of 13 and 11 annas in ie rupee respectively, and requested that he might be aced in funds. Government in Order No.Fl.8028-31/R.F. 3-95-13 dated 24th May 1905, accordingly authorized the mptroller to place a sum of Rs.90,000 in the Mysore Dis- ict Treasury at the credit of the Trustees, and desired to be understood that no larger sum than Rs.1,25,000 uld be advanced for the settlement of the debts, and tha the creditors did not take advantage of the offer with- 6 months, the loan would be withdrawn.

On 14th July 1905, the Trustees having reported at only 7 of the secured creditors had given their con- nt, that it was not possible to effect a settlement and at the grant might be withdrawn, a meeting of some of ie creditors was called at Mysore at the late Dewan's ggestion, at which Mr. Nanjundaraj Urs, Mr. Lingaraj Urs . B.K. Venkata Varda Iyengar and Mr. Basappaji Urs were lso present. As a result, the appointment of joint ustees was cancelled and Mr. Nanjundaraj Urs was appoint l sole trustee with his consent, and was requested to oceed with the settlement on the following terms:-

(1) That all the secured debts be first paid, the amount to be so paid not to exceed Rs.90,000, assignment of encumberances being obtained.

(2) That existing attachments by Civil Courts on encumbered properties be raised by settlement with attaching creditors.

(3) That Mr. Basappaji Urs do thereafter execute a conveyance of properties to Mr. Nanjundaraj Urs

who would endeavour to sell them for the realization of the Government advance.

(4) That unsecured creditors be separately dealt with, if they were prepared to enter into a composition to the value of the balance if any left of the Government advance, after paying the secured creditors. Otherwise Mr. Basappaji Urs was to be left to his own remedies.

Mr. Nanjundaraj Urs in his letter No.166 dated 4th January 1906, reported that the creditors were not agreeable to come to any understanding on the lines indicated above, and expressed the possibility of being able to discharge all the debts, if an additional sum of Rs. 20,000 were sanctioned. If this were not possible, he suggested that the loan of Rs.1,25,000 then sanctioned might be withdrawn.

Subsequently, Government in Order No.8750-2, dated 23rd June 1906, appointed Mr. D. Sitarama Rao as their agent to settle the affairs of Mr. Basappaji Urs and suggest necessary steps for relieving Mr. Basappaji Urs from his present embarassments and to report on the correct value of the properties and the amount that should be advanced by Government to relieve him completely of his liabilities.

In his first report dated 6th August 1906, Mr. Sitarama Rao reported that any attempt at inducing all the creditors of Mr. Basappaji Urs to receive a rateable portion of the debts due to them was impracticable, that the creditors were however willing to come to reasonable terms, provided prompt payment of the amounts settled were made, and with this view, solicited an advance of Rs.1,50,000 to take further action in the matter. Mr. Sitarama Rao also stated that both Mr. Basappaji Urs and his son were willing to convey their immoveable properties absolutely to Government.

The Government Advocate who was consulted as to the correctness of the Government obtaining a conveyance of all the properties from Mr. Basappaji Urs, has stated as his opinion that the best mode of accomplishing the object would be to buy up the debts, i.e., to obtain assignments of the debts from the creditors who may be induced to forego a portion of their debts and then obtain from Mr. Basappaji Urs a sale deed for the amount advanced.

The Comptroller who was consulted as to the ways and means, suggested that the matter might be held over till September, when the result of the new 4 per cent loan of 20 lakhs would be known.

With the approval of His Highness the Maharaja the question was deferred, and in the meantime necessary enquiries were ordered to be made concerning the value of and title to the property, the extent of indebtedness and the mode of future management.

This having been approved, Mr. Sitarama Rao was instructed to send up a detailed report.

Mr. Sitarama Rao has accordingly sent his final report in which he estimates the total liabilities at Rs. 3,94,612 or in round figures 3,95,000. He is of opinion that it is not altogether impossible to discharge the liabilities with a loan of Rs.1,76,000. As a reserve for contingencies, he asks also to be permitted to utilize to the extent necessary certain items detailed in para 15 of his letter.

Mr. Sitarama Rao estimates the value of Mr. Basappaji Urs' immoveable properties at Rs.2,00,400 and the annual income therefrom at Rs.8,510. He estimates that at 4 per cent interest the loan of Rs.1,76,000 would be discharged within 45 years or at 3 per cent in 33 years. He

The best mathematician in my office makes it approximately 50 2/3.
SM

however leaves it to Government to decide what rate of interest should be charged, in view of the special circumstances of Mr. Basappaji Urs' case. He suggests that the loan be treated as one under Section 194 of the Revenue Code, and that out of the properties offered as security, 4 buildings may be left in Mr. Bassappaji Urs' enjoyment and he be made Superintendent of the rest of the property with his powers properly defined under the directions of the Deputy Commissioners of Mysore and Hassan.

The Comptroller (Mr. Basu) having been consulted as to ways and means, has expressed the opinion that "if Government are satisfied that the loan should be given to secure a bona fide public object and that the securities are ample, then the officers concerned may be instructed to make all preliminary arrangements for the loan pending supply of funds in March 1907".

The matter having been circulated to the Councillors, the First Councillor considers the case more suitable for Palace than Government action, and that the management of the estate by the Palace would be more appropriate and creditors also would be more amenable to equitable settlements. The Second Councillor refers to the conditions postulated by the Comptroller viz that the loan should be to secure a bona fide public object and that the security should be ample, and says that this loan belongs to the same class as other loans granted for the relief of encumbered Jaghirdars, and as such may be taken to be to secure a bona fide public object. As regards the security he says that we should be prepared for some risk of inadequate security in a case of this kind. He is also of opinion that if the Palace come to Mr. Basappaji Urs' aid it were well and good, but if otherwise, the State should not hesitate to go to his rescue in his present difficulties.

The latest case in which Government sanctioned a loan was on behalf of Mr. D. Devaraj Urs to whom a loan of Rs.2,80,000 was sanctioned at 5 per cent interest, on the security of properties valued at Rs.2,74,800 and half of his Palace stipend of Rs.10,464 per annum. This debt is repayable by annual payments of Rs.14,500, and the whole debt will be discharged in 70 years.

+ In their Proceedings No. Fl 638-43 dated 18th September 1903

I find from a perusal of the correspondence relating to the grant of the loan to Mr. Devaraj Urs, that the late Dewan consulted the Hon'ble the Resident (Col. Robertson) prior to appointing trustees for enquiring into Mr. Basappaji Urs' affairs. (D.O. dated 8th June 1903 from Dewan and Resident's reply dated 28th June 1903). The Resident then expressed the opinion "that it would be desirable that the advances required by the three gentlemen

1. Mr. Dalavai Devaraj Urs.
2. Mr. Nanjaraj Urs.
3. Mr. Basappaji Urs.

named should, as they are to be helped because they are intimately connected with the Palace, be made from the funds standing to His Highness' personal credit; but if as I understand from you, there may in that event be difficulties in the way of realization, the advances to be made by the State should be adequately secured, and the whole arrangement be regulated by clear agreements on businesslike terms. I mean anything in the sense of charitable relief should be carefully avoided".

The principal questions for consideration in this case are (1) whether the loan can be granted from State Funds and (2) whether the loan asked for viz 1,76,000 Rupees is sufficiently covered by the security offered.

The first point was considered in 1903 in this and other similar cases, and though it has been recognized that strictly speaking the State is under no obligation to grant such loans, still the peculiar circumstances of this and the other cases would justify the grant of such loans.

In the present case the First Councillor is, as already stated, of the opinion that the loan is one which cannot be granted from State funds, while the Second Councillor thinks that if the Palace is not prepared to grant the loan, the State should give it.

The next question for consideration is the amount of the loan that might be granted. It was on this point that the steps taken from 1903-1906 proved abortive.

It will be seen that in the trustee's report in 1904, the property of Mr. Basappaji Urs was valued at Rs.1,31,000. The net income from the lands was estimated at about Rs.3,500.

In his report Mr. Sitarama Rao has estimated the value of the properties at Rs.2,00,400 and the annual net income at Rs.8,510. On pages 12 to 16 of the Secretariat note the differences between the valuations are discussed in detail. It is difficult to say whether and which of these valuations is accurate, and as the Second Councillor says probably the truth lies midway.

On the whole it may be taken that the value of the property will just -- if at all -- come up to the amount of the loan Rs.1,76,000 now said to be necessary for effecting a settlement. The security cannot be said to be quite adequate, as ordinarily understood.

The ultimate discharge of the loan depends more on the annual net income than upon the capital value of the estate, since the property will be taken under Government management and the net income applied in discharge of the loan.

On a loan of Rs.1,76,000 interest at 4 per cent amounts to Rs.7,040 a year and at 5 per cent to Rs.8,800. Even assuming as correct Mr. Sitarama Rao's present estimat.

of the net income from the property, it will be seen that the income will hardly meet the charge for interest at 5 per cent on the loan asked for. In the circumstances of the case, I do not think that the loan can ever be discharged if the rate of interest is anything more than 4 per cent.

In Mr. Dalavai Devaraj Urs' case the rate of interest was fixed at 5 per cent.

With an annual payment of Rs.8,510 the loan of Rs.1,76,000 at 4 per cent will be discharged in 45 years, and with a payment of Rs.8,000 per year in 55 years.

Mr. Sitarama Rao estimates the net annual income from the immoveable property at Rs.8,510 per annum and thinks that with careful management under Government agency it is capable of material increase. It will be seen that this estimate is more than twice the estimate framed by the former trustees, and [illegible] it is only by actual experience gained in managing the property that we can find out what the actual income will be. I however fear that Mr. Sitarama Rao's estimate is far too sanguine. Besides this there are also the pension from the Palace and Mr. Basappaji Urs' pay as Military Bakshi. It would be necessary to utilize at least a portion of these towards the payment of the instalments, at any rate to make up any deficiencies in the net income from the immoveable property.

But it is somewhat difficult to count upon these sources of income for the reduction of the debt. Mr. Basappaji Urs is already old and it is difficult to say how much longer he will remain in service. Again the Palace pension is an item depending entirely upon the pleasure of His Highness and [illegible] we cannot act on the assumption that it will be continued undiminished during the long period

of 45 or 55 years which the loan would take to be discharged. A large portion of the pension and the pay will moreover be required for the maintenance of the Bakshi's family and I am not sure that any substantial amount will be left for payment towards the debt.

As regards the future management of the property if a loan is given I think the best course would be to take the whole property under Government management. Of the houses in Mysore one with suitable outhouses &c., may be left in the personal occupation of Mr. Basappaji Urs and the others [redacted] rented out. I do not think that it will be advisable to let the management of the property remain in the hands of Mr. Basappaji Urs as suggested by Mr. Sitarama Rao. It would also have to be clearly laid down that a larger loan than Rs.1,76,000 cannot be given under any circumstances.

The above are the circumstances of the case, but I have great difficulty in arriving at a decision as to whether they justify a loan of Rs.1,76,000 from State funds. I was at first disposed to think that Col. Sir Donald Robertson's opinion would justify the grant of a loan to Mr. Bakshi Basappaji Urs from State funds; but I find the opinion is a guarded one. He would insist upon adequate security and "the whole arrangement being regulated by clear agreements on businesslike terms".

As stated above it is impossible to estimate with any accuracy either the capital value of the property or the annual income, and even the sanguine estimates of Mr. Sitarama Rao hardly show that the security is ample or that there is a reasonable hope of the debt being discharged in the near future. The estimated income will not even pay 5 per cent on the loan. 5 per cent is the rate of interest on the loan given to Mr. Devaraj Urs and others,

and I am not sure if it will be proper to reduce the rate of interest in the case of Mr. Basappaji Urs. [redacted]

When Government itself pays 4 per cent on its loans -- as for instance in the case of the recent loan for the 3rd Installation -- it is, I fear, very unbusiness like to grant a loan on 4 per cent on the indifferent security forthcoming in this case.

Then again as to provision of funds if a loan is granted I think we shall hardly be in a position to find the money before the end of the year 1907-'08. Owing to the remission of the Halat, the financing of the 3rd Installation, the provision of over six lakhs for the completion of the Palace at Mysore, and of five lakhs for the Tata Institute, the financial situation is very difficult and I do not think it will allow of funds being found for this loan except by the sale of Government securities at a loss.

Under all these circumstances I am of opinion that it is not possible for a loan of Rs.1,76,000 to be granted to Mr. Basappaji Urs from State funds.

With these remarks I submit the matter to His Highness for orders.

15/5/1907

K. Seshadri Iyer

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Grant of a loan to and the settlement of Mr.Basappaji Urs' debts.

Order.

I am disposed to agree with the Dewan, that the revised estimate prepared by Mr.Sitarama Rao,must be accepted with a certain degree of caution and that a safer estimate of both property and income is to be found in a valuation midway between the former and the present one. On this principle, it is, I think, safe to assume that the immovable property is worth not less than Rs.1,65,000/-with an annual income of - Rs.6,000/- I agree that on this calculation, a loan of Rs.1,76,000/-from Government funds would not be easy to justify. On the other hand, I see no reason why Government should not grant a loan of Rs.1,25,000/-the amount which was actually sanctioned and provided in 1903. I am prepared to advance the remaining Rs.51,0 from Palace funds, repayable from the Palace stipend and from another source mentioned

below. As regards the rate of interest to be paid to Government I think that in the special circumstances a rate of 4% is justifiable. This will admit of the Government loan, if the calculations submitted to me are correct, being paid off in about 49 years at the rate of Rs.6,000/- per annum. But there is reason to hope that the annual income will, with careful management, be in excess of Rs.6,000/-, and I consider that any such excess may be devoted to reduction of principal of the two debts, Government and Palace, in equal proportion. I consider that an equal division is fair in view of the fact that the Palace debt is practically unsecured. I observe that Mr. Sitarama Rao contemplates the possibility of having to utilise the Government allowance amounting to Rs.4,800/- as well as certain other items mentioned in para 15 of his last report, for the payment of debts outside the Rs.1,76,000. But presumably this sum will also be available later for reduction of debt.

The arrangement that I am prepared to sanction will then be as follows:-

(1) Rs.1,25,000 to be advanced by Government at 4% secured on the Bukshi's immovable property valued at Rs.1,65,000/- and upwards, repayable in yearly instalments of Rs.6,000/- plus the half of any excess over Rs.6,000/-, derived from the income accruing from the property and the Govt allowance of Rs.4,800/-.

(2) Rs.51,000/- to be advanced from palace funds repayable from the Palace stipend, plus the other half of any excess income accruing as detailed in the preceding para.

(3) The Bukshi's immovable property to be

taken under Government management, under such arrangements as may be suggested by Government and approved by me, his 3 residences being reserved for his occupation.

As regards the management of the immoveable property, I regard the proposal to instal the Bukshi as Manager as quite impracticable, and I shall be glad of proposals for administering it efficiently by Government agency.

It is of course to be understood that the arrangement outlined above is subject to the lega position, referred to in the Government Advocate's note of 23-8-06, being definitely secured and the properties taken over free of encumbrance and to definite assurance being forthcoming that the debts can be finally extinguished for the sum mentioned. At present Mr.Sitarama Rao has not referred to the legal question, and we have only his statement that a composition for the amount specified is " not altogether impossible ". In the interests of Government and the palace a more definite assurance is required before the money is paid over.

KRW
31/5/07

Serial No.

E

Asst Sec
Please put up Draft in acc: with H Hs orders
10-6-07

A draft is put up. The case falls under para 4(i) of G.O. of 6-5-07.
Sub: to General Secy
9-6-7

In that case, it may be placed before the Financial Secy.
12 6 07

Sub: to Financial Secy
12-6-7

I think H.H. wishes further enquiries be made as indicated in the last para of his order. As I understand the order it is only after the legal question has been settled, & a definite assurance obtained from Sir Sitarama Rao that all the debts can be paid off with the sum the sanctioned, that H.H. will pass a final order.

Maybe make the necessary enquiries from Sir Sitarama Rao. first?

I am afraid I may just now when the amount will be available. Any ways & means estimate will be ready in a week. I take it it is not the intention

Serial No.

to pay the amount out of the first balance, but only when a sufficient amount has been collected on account of instalments of outstanding loans. That is usually the principle adhered to in regard to such matters.

13.6.07

Dewan.

~~Dewan's order~~

Judge

2nd Secy 18/7/1907

ORS 17/7.

Draft to Mr. Secretariat Assistant for Subs. to 2nd Secy for approval.

17.7.07

Issued 17-7-07

To.

Mr. D. Sitharama Rao, No. H. 172 dated 17.7.07

Stating the arrangement the Govt. are prepared to Sanction, Subject to the legal position referred to in the Govt. Advocate's note being definitely secured & the properties taken over free of encumbrance and to definite assurance being forthcoming that the debts can be finally extinguished for the sum of Rs. 1,76,000/- proposed to be advanced.

G. R. S. 12]
General and Revenue Secretariat.

Gl. Dis. File No. 29 of 1905 G.

Serial No.

Letter No. 9 of the 25.7.07, from Mr. Subramaniam.

With reference to the Statement that Govt. desire to have a more definite assurance that the debt can be finally discharged within the sum of Rs. 176,000), States that he can not give any definite assurance but that however he would make every possible endeavour to settle the debts within the said Sum of Rs 1,76,000. and that he has fair hopes of effecting a final Settlement with the amount.

~~His~~ Mr. Sitharama Rao ~~further assurance~~ is ~~hopeful of~~ a final Settlement being effected with the amount to be placed at ~~his~~ disposal.

But he can not understand the muffle vake of the Govt. Advocate of the 23.8.06 in respect of obtaining a Sale deed from Mr. Basappaji Rao and his son for the amount to be advanced, and thinks perhaps that a deed of hypothecation with possession will do. The reasons for obtaining a Sale deed are obvious + the properties of the Bakshi will be handed over to him + his son, when the Govt. loan is discharged.

The Bakshi is reported to have represented that either his pay as Military Bakshi (Rs. 400) or his Palace Stipend (Rs. 500) may be left to him for subsistance.

Submitted, with a draft.

K.S. 27.7.07.

27.7.7.

NOTE—Contn sheet.

G.P.B.—60 000—17-3-07

Mr Sita ram Rao has not given the definite assurance that H.H. wanted; & further Mr Baraj Hajee Urs wishes that either his stipend as Bakshi of his palace stipend may be left to him to live upon. The conditions laid down by H.H. ~~have~~ are not therefore going to be fulfilled -

Colonel also find that in estimating the net annual income from his properties any provision can have been made for the necessary periodical repairs to these house property valued at Rs 70.000. If periodical repairs are not provided for these houses will deteriorate very considerably in value. even if they do not tumble down altogether & in my opinion Rs 10000/- or such amount as the Executive Engineer Mysore may suggest should be set apart from the estimated net income of Rs 60000/- for repairs. This is a very important consideration.

Who then will pay the Municipal taxes on the buildings?

As regards the definite assurance required from Mr Sita ram Rao, he has probably misunderstood the intention

Serial No.

of fort. As far as I can see, it is wished that Rs 4800/- an amount of his pay as Bakshi should be available for the supplemental debt as suggested by Mr S. Rao in para 15 of his proposal. It is only after the liquidation of these other debts that the amount could be available for the loan of Rs 1.25.000 to be advanced by fort.

Please write to Mr S. Rao again do explaining as above & enquire whether if Rs 4800/- were given in addition as proposed by him for the supplemental debt he could give a definite assurance of complete settlement of B. Govt's affairs. & perhaps may be will require this sum of Rs 4800/- a year.

Also please point out about reforms as above indicated. The Govt of course settle the exact course to be pursued in consultation with the fort Advocate - (Mr 29-7-07)

Sending a copy of this order &

provision for

The draft of a DO is put up for approval. The other funds referred to in para 15 of his letter of 19-10-06 are also proposed to be placed at his disposal for meeting the unsecured debts. - There seems to be no objection to do this & his recommendations in this respect will then have been accepted in toto.

Fin Secy 30-7-7

GPB—10,000—18-1-07

Serial No. (17)

To Mr D. Sitharama Rao, D.O of the 30.7.07.

Enquires whether he can definitely assure Govt that all the debts of the Bakshi can be satisfied for the sum of Rs. 1,76,000 & the other funds mentioned in para 15 of his letter of the 5 October 1906; whether in estimating for the net annual income from Mr Basappaji Mrs' Estates any provision has been made for the necessary periodical repairs to his house property valued at Rs 70,000/- and enquires whether he can not Settle Heads of the exact procedure to be followed as regards the legal point mentioned in para of his letter in consultation with the Govt. Advocate & communicate them when settled for the information of Govt.

From Mr D Sitharama 1st August 07.

States that he has recorded in Several Communications the methods by which the debts Can be discharged and does not See what further assurance he can give to the Govt; the actual income from the Bhatram is Rs. 200 a month or Rs. 2400 a year - of which only Rs. 2000 is taken into account, leaving the balance of Rs. 400 a year for the repairs that as regards the buildings in the actual possession of the Bakshi, they will be kept under repairs from the monthly allowance to be allowed to be enjoyed by him and that, as suggested, necessary documents for the transfer of the properties to Govt will be got executed in consultation with the Govt Advocate

Submitted. K.S. 31/8/07

GPB—50,000—25-2-07

Serial No.

The arrangement by which Mr. Seetharamaiah hopes to discharge all the debts of Mr. Basappaji Urs with the promised loan of Rs 175000 and the other funds stated in para 15 of his letter of 19th Oct' 06 to be at the credit of Mr. Bowes, is explained in paras 12, 14 and 15 of the said letter - Mr. Seetharamaiah thinks that it will be possible to free Mr. Bowes from all his liabilities with the amount made available for the purpose and says that beyond this he can not give any assurance.

The building called "Chattra is estimated at Rs 30,000 and the annual income from it is expected to be Rs 2400 and Rs 400 out of this is considered by Mr. Seetharamaiah, to be sufficient for the annual repairs to the building The charge for repairs to the other house property worth Rs 40,000, Mr. Seethaiah states, should be met by Mr. Bowes himself from the monthly allowance (either his pay a Military Bhakshi or his Palace Stipend to be permitted to be enjoyed by him

Thereon enquiry in the

Serial No.

Per Branch of the Comptroller's Office it was ascertained that there is no standard rule or calculation to show what proportion the annual repair charges of a building bear to the original outlay on the building itself. By taking the actual expenditure on repairs to one or two buildings for some years, it was found that on an average the annual repair charges would be between 1 and 2 per cent of the value of the building. As Bs. 's buildings are apparently old and a provision of at least 2 per cent viz. Rs. 400 annually has to be made from the income of his properties to maintain the value of his house property.

Submitted
5/8/17

His Highness's orders require that both the Banaffaji Saras pay a stipend, which are paid from Palace funds, are to be utilised for the repayment of his debts, the first & the supplemental debts referred to in para 15 of the Sitaram Rao's letter of

Serial No.

19th Oct 1906, & after them have been paid off towards the repayment of a portion of the first loan of Rs 1500 & the second for repayment of the loan of ~~Rs 76~~ Rs 5100 the grants from Palace funds

It now appears that from Mr Sitaram's letter of 25th July 1907 that Mr Barakdaji has wished that either his pay & stipend may be left to him for his support. This upsets totally the calculations on which H.H.'s orders were apparently based, & they to be brought to Mr Sitaram's notice.

H. H. also wanted a definite account that Mr Sitaram could liquidate the Trust liabilities within the sum the limit from the Palace & State funds. No such definite account is forthcoming, but Mr Sitaram is hopeful that this can be done.

As regards the legal aspect of the case there is some difference of opinion about the sale deed referred to by the first Advocate, but this difficulty is not insuperable as the exact procedure to be followed in order that the money advanced by first mortgage should be may be laid down after consultation with the first Advocate if the loan is sanctioned by first under the present altered circumstances referred to above.

The annual charges to be incurred for repairs

Serial No.

to Mr Mrs's houses which are to be taken as security were not provided for in the scheme provisionally sanctioned. It is however a very important consideration, as unless repairs are regularly executed, the houses will deteriorate considerably in value long before the period of repayment of the loan is over, & there will not be sufficient security for repayments if the sources of annual income fail. Rs 1400/- or 2% on the estimated value of the house property viz Rs 70,000 is I think a moderate estimate for the annual repair charges, out of which Mr Sitaram he supposes Rs 400/- will be available annually from the income of Rs 24000/- for the Chattram. The whole of the income from the Chattram, whatever it is, is included in the estimate of Rs 6000/- a year accepted by H.H. as the probable total income, & Rs 400/- cannot be considered as an additional amount over & above such total income. Mr Sitaram is also of opinion that the repairs of the houses should be met from the pay & stipend to be left to Mr Mrs. This is not a safe arrangement from the point of view of Govt = & as first are intended that the houses being maintained at their full value, the repairs should also be executed under Govt supervision -

Serial No.

even if Rs 6000/- are set apart for repairs the balance of income (Rs 60000/- as estimated minus Rs 6000) will be only Rs 54000/- & with joint pay the interest on the State loan of Rs 1.25.000. & there will therefore be left no source from which the principal will be repaid. The only way to provide for repayment of principal, if no other source of income is available is to reduce the rate of interest: but this for the reasons already stated in the Dewan's note B 16 16. will not be a financially sound arrangement.

The question of ways & means has also been considered. I beg to submit a statement showing the present condition of the loans in particular first loans, aggregating more than 25 lakhs. Neither the instalments of principal & the annual interest are regularly coming in, & in fact a large portion of the loans will eventually have to be written off as bad debts. In the case of encumbered Jaghir dues, the annual amounts expected, at the time of sanction by the revenue cannot be realised, altho' the properties are under first management. This fact shows that the valuation of the property was too liberal in these cases, & makes it desirable that in all such cases such valuation should be rigorously made.

Serial No.

in future

As the instalments of principal cannot be regularly realised, the estimate of such realisations in 1907-08 is only Rs 1.40.000, viz. Rs 70.000, based on the last year's actuals for Agricultural Banks & Rs 70.000 for the rest. Against this amount the outgoings on the following indispensable items are expected thus Rs

Land Improvement Loans	Rs 40.000,	(based on actuals)
Balance of other sanctioned loans	" 15000	
Advances for working Agricultural Banks	" 25000	
Loans proposed to Municipalities under consideration	" 20.000	(Probable for the year if sanctioned)
Total	Rs 1.00.000	

It is clear therefore that the loan of Rs 1.25.000 proposed for this Dist cannot be wholly met from this source, & consequently if it is sanctioned the Dist balance will have the charge upon to a large extent.

The lowness of the Dist balance has so often been the subject of adverse comment in recent years that I need not say anything about it. The Dist is now straining every nerve to build up a sufficient balance as an insurance against famine & other special expenditure in future & until such a balance has been built up

Serial No.

the application of any portion of the first
instance towards a loan which extends
over a long term of years & is therefore not
monthly recoverable is, in any very re-
-ctural opinion open to objection from the
financial point of view.

Dewan
5-8-07

Dewan

5785
6/8/07

Statement showing the important Outstandings on account of Loans and the interest thereon.
(To end of March 1907)

Name of borrower.	Date of sanction	Amount of Loan	Repayment to end March 1907.	Balance of Loan outstanding	Instalment in arrears	Interest in arrears	Remarks.
Loans to Encumbered Inshirans.							
Nandigudi Ramannah	1894	64341	—	64341	14143	23815	Under Government Manageme
The Family of Lakshman Rao	1889	17250	11954	5296	5296	—	Inamdars own Manageme
Musahib Rama Rao	1893	23964	16031	7933	4783	—	Under Government Manageme
R. Gopalacharyar	1894	20000	7540	12460	5719	—	do.
Srinivasa Rao & Venkatesa	1893	6336	930	5406	2483	270	do.
Lanoo Rao and others	do	12782	1086	11696	1400	—	do.
Seshagiri Rao & Krishnamma	1895	29000	1500	27500	11250	10738	do.
Veene Bakshi Subbamma	1898	48000	—	48000	18033	2322	do.
Mr. Balavai Devaraj Urs	1902	278314	—	278314	1168	17951	do.
Total		499987	39041	460946	64275	55509	
Special Loans							
The Mysore Spinning and Manufacturing Co.	1894	250000	93489	156511	-	62878	
Mr. L. Hund	do	8940		8940	8940	5416	The debtor died and his [illegible]

[illegible]	1902	2400	—	2400	—	482	The Revenue Deptt. has been asked by Govt. to take necessary action in regard to the recovery of the am
Sugandaraj and Chennaviraj	1906	7000	466	6534	200	—	The instalments are recoverable from their pensions. The pensions are said to be drawn in arrears
Total		268340	93955	174385	9140	68776	
Other Loans							
Ahmed Ali and Mohmed Mukdum	1897	10000	3591	6409	6409	648 847	These two men have been declared insolvents.
Dawood Sahb	do	7000	700	6300	—	915	This debtor has been permitted to repay the loan and interest by monthly instalments of not less than Rs. 50/- which is being regularly pai
Total		17000	4291	12709	6409	7410	
Agricultural Banks		1720459	611531	1108928	580746	133260	To end of June 1907
Grand Total		2505786	748818	1756968	660570	259542	

H H
5/8/07

Submitted to His Highness.

In order dated 31st May 1907, His Highness was pleased to authorize the grant of a loan of Rs. 1,25,000 from the Government, and Rs. 51,000 from the Palace, or Rs. 1,76,000 in all, to Mr. Basappaji Urs, Military Bukshi, for the settlement of his debts, subject (1) to the legal position being definitely secured, (2) to the properties taken by Government being free of encumbrances, and (3) to a definite assurance being forthcoming that Mr. Basappaji Urs' debts could be finally extinguished with the said sum of Rs. 1,76,000.

On these matters Mr. Sitarama Row was further consulted.

He states that though he is hopeful of settling all the debts within the amount proposed to be given, still, he is not able to give a definite assurance to that effect. At the same time, he brings to notice that Mr. Basappaji Urs wishes that either

his Government pay or his Palace stipend might be left to him, to live upon.

In his note of the 5th August, the Financial Secretary has clearly discussed the financial aspects of the case. He shows how the original calculations will be upset, if Mr. Basappaji Urs is now permitted to receive his pay and stipend.

On the question of ways and means, he states that the estimated realisations during the current year on account of repayments of loans amount to Rs.1,40,000 and the estimated outgoings to Rs.1,00,000, and that consequently the proposed loan of Rs.1,25,000 cannot be given except by drawing to a large extent on the Government balance, which, he thinks, would from a financial point of view, be objectionable.

He also points out that it is necessary to provide a sum of at least Rs.1,400 , i.e., 2% on the estimated value of house property, viz., Rs.70,000, for annual repair charges. If this amount is deducted from the anticipated annual income of Rs.6,000, the

balance

balance available would be only Rs.4600, which does not even cover the interest at 4%

It will thus be seen that the loan will never be repaid unless the rate of interest is reduced which, for reasons given in my note of the 16th May, would be undesirable.

I resubmit the papers for His Highness' further orders.

7/8/1907

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Further note on the grant of a loan to Mr.Bakshi Basappaji Urs.

Order.

As regards the desirability of Govt making the loan from balances at the present time, I appreciate the difficulty. But it is simply a question of, now or never; next year it will be too late and the properties will be gone past recovery. In view of the favourable character of present prospects in the State generally, I do not think that any undue risk will be incurred if the money is advanced at once.

With reference to the legal question, I am informed that all that is requisite to secure the position is, for the administrator of the property to buy up the first mortgages from the present holders. The other mortgagees will r adily come to terms when that has been done.

As to the other assurance, it is evident that Mr Sitaram Rao can do no more than he has already done. Until the money is actually available for payment, the creditors, who have been disappointed so often, will not commit themselves. I think we must be content with the degree of assurance already offered.

As regards the palace and Govt stipends, my previous order provided for the latter being held available for payment of debts, if required, in the first instance, and repayment of loan thereafter. The question of the palace stipend is one between myself and the Bukshi and need not be discussed. But it may be taken that no portion of it will be available for repairs to house property, which is an ordinary incident of management and must be provided for out of the income recovered by the administrator. In view of the fact that the estimate of income was purposely kept low, and may be expected to be exceeded within a very short period of methodical administration, and that the Govt stipend will also be available I do not think that there will be any difficulty in providing for this expenditure and also for interest and principal charges.

I shall be greatly obliged if the Dewan can see his way to put the business through without further delay.

KRM
8/8/07

Ask the Comptroller to arrange for Mr Sitaram Rao being placed in funds without further delay
Seen CB 10/8 9/8/1907

G. R. S. 12]
General and Revenue Secretariat.

File No. of 190

Serial No.

Draft Sale Deed Fin (Secy)
Mr L
(4-8-)

No 25 & 14-8-07 Will the first Advocate kindly look
Enc 2 files through the draft order?

It will appear from the file that
there is some difficulty about a Sale deed
(Sri Sitaram Rao's letter of 25th July 1907)
H.H.'s orders are that "all that is requisite
to secure the position is for the administrator
"to get the protest withdrawn and the first mortgage
"from the present holders."

I shall be obliged if first advocate
will make suitable alterations in
the draft order where required in pencil

14.8.07

G.O. No. 7
dated 15-8-07
Typed

I think the draft order is sufficiently
Enough. A sale deed with
clause to secure the property
sold when the purchase money
is unpaid as stipulated, viz by
the appropriation of the produce
or income thereof, really amounts
to a mortgage and no more.
There need be no difficulty at
all in Madras.

15.8.07.

T. Sivaganesa Rao
Govt Advr.

Fin/Secy

GIPB—50,000—17-3-07

15 & 7

Serial No.

Draft submitted to Dewan for
for ~~my~~ approval.

As regards division of excess
~~[illegible]~~ in come from the property over Rs 6000
State is ~~[illegible]~~ wishes that the repair charges
are to be first met & then the division
made for repayment of Irish & Palace debt

Kindly also see Irish Advocate's
opinion in above.

There are two revised Treasury
Officer Mysore & Palace Rs 14 lakhs at
the disposal of Sir Sitaram Rao.

5951/1 8.07

(Init 15-8-07)

Issue. Let the Schedule be prepared
~~[illegible]~~ carefully.

Submitted
Appx I received with Mr D. Sitaramiah's (20/8/07) Rao's
letter, No: B dated 29.10.06 ~~[illegible]~~ has been
Checked & found to be exhaustive. This
K.S. 20.8.07. will be appended to the order under
issue.

Yes 20.8.7

The 187-6 cols ~~[illegible]~~ of the State
Statement will form the Schedule.
Particulars of Extent & Assessment

Serial No.

Some lands are not given in the Statement. These Mr. Seetha Ramadas may be asked to Ascertain & enter them in the Schedule, intimating them to Govt for information insertion in our office copy of the Schedule

20.8.07

Seen KRK 20/8/07

To the Comptroller in Mysore.
" officer in charge of the Police Settlement.
" Govt, Mysore &
" Govt Advocate.
" Messrs D. Sitharamaiah & Basavaraja Urs.
" Govt Hassan &
Govt order, No: H: 861-7/[illegible] Lr: 29-05. & the 21.8.07.

~~Letter~~ sanctions a loan of Rs: 1,25,000 to be advanced by Govt: at 4% on the security of the Bakelite immoveable property valued at Rs 165000 & upwards, repayable in yearly instalments of Rs: 5000 plus the half of any excess over Rs: 600

Serial No.

derived from the income accruing from the property after the necessary provision for repairs & the allowance of Rs. 4800 given to him from the Palace.

1906-07.

From

D. Sita Rama Rao Esqre.
Chairman, City Impt. Trust,
Mysore.

To

R. S. Narendra Sekhara Iyer Esqre
Secretary to the Govt. of
H. H. the Maharaja of Mysore,
Genl. and Revr. Department

Dated. 6th August 1906

No. A. Enc. one.

Subject

Govt. Pro. No. $\frac{\text{R } 8760\text{-}2}{\text{Gl. Fin. } 29\text{-}05\text{-}8}$ dated 23-6-19

Soliciting the grant of an advance of Rs. 1,50,000 to settle the secured debts of Military Bakshi Mr. Basappaji Urs, pending submission of a further report on the settlement of his affairs and other matters mentioned in the above Government order.

No. A Enc: one mutchalika.

Mysore 6th March 1906.

Sitarama Rao Esquire,

Chairman, Mysore Improvement
Trust Board

To

K. S. Chandrasekhara Iyer Esquire
Secretary to the Government of
His Highness the Maharaja of Mysore,
General and Revenue Department

Sir

With reference to Government Proceed
No. H 8750-21 / H. Fin 2906-8 dated the 23rd June 1906, a
ing me Agent on behalf of Government to s
the affairs of Military Bakshi Mr. Basappaji
and calling for a report as to the terms of sett
ment Sending for the creditors, and for a correct
valuation of the properties of that gentleman,
and to suggest what amount should be advanced
by the Government in order to relieve him

I have the honor to report, after perusing the records furnished to me and making inquiries of the principal creditors living in Smyrna, I find that any attempt at bringing about a concensus of opinion among the several creditors to accept certain pateable distribution among them, and the like are well nigh impracticable. The creditors represent that they are willing to come to any reasonable terms offered them provided they are paid immediately and the matters settled. They are not willing to bind themselves up in writing with an expectation of settlement later on, which may or may not be finally decided on the lines agreed to by them, as is borne out by the experience of the former Committee in this respect when such attempts had to fall through, even after some of the creditors had acquiesced in such proposals at the outset

2. Under the circumstances, I beg to suggest that unless the Government is prepared to settle with the creditors that agree to the terms indicated

indicated in the report submitted by Messrs. K. Narasimha Iyengar and T. N. Narasinga Rao, dated 5th August 1904 by making prompt payments there does not appear to be any chance of arriving at a solution to relieve Mr. Basappaji's estate of its liabilities. Most of those that have not obtained decrees already would either resort to Court at once or try to secure fresh bonds adding on the accrued interest up to date to the principal, when the problem which is already entwined with arrangements difficulties becomes more complicated

On these facts I solicit, pending the supply of information ordered in regard to the correct valuation of the properties, and the method and period of disbursing the amount now suggested to be granted, that the Government be pleased to make an advance of Rs. 1,50,000 to settle up finally (1) all debts secured by the first mortgages on immovable properties (2) those secured by the 2nd and subsequent mortgages on the same immovable properties and get the securities transferred to the Government from those legally entitled to them

The

The balance after meeting the cases noted above, may be equitably arranged to be distributed between the remaining two classes of creditors, viz, 3) debts based on Pro-notes and (4) Tradesmen's bills and amounts due on transactions &c.

With information now coming in from different sources every hope is entertained that it may not be altogether impossible to release Basappaji Urs from all his recorded liabilities to the tune of Rs. 1,76,000/- and odd, asked for by the First Committee. In this connection it is also to be noted that some of the creditors are obliged to incur further expenditure in filing suits and obtaining decrees to keep currency to the transactions, even after their first consent was ~~obtained~~ as far back as August 1904. Losing interest at the same time during all this period.

vide para 10 of the committee's letter dt. 5-8-1[illegible] Pleg. Q.

On an examination of the records available as to the extent of each property and its yearly out-turn, I am led to believe that the immovable properties as scheduled are worth nearly two lakhs of rupees, if not more, a further report regarding which and other allied matters, such as the actual

net return from the properties now proposed to be taken over and how and within what period the loan now proposed to be advanced could be recouped, will be submitted later on, after collecting reliable data and actuals for two or three years

6. Mr. Basappaji ... and ... willing to convey their immovable properties absolutely to Government: and this, they have signified by a written Mutchalika. Enclosed herein

I have the honor to be,
Sir,
Your most obedient Servant

D. Chairman

Chairman.

సన్ 1906 నవంబరు జూల్యై కాండలు 30 రూపాయలు వ్యవసాయం
పిల్లలు పుట్టిన యేడు చొప్పున పైజు అరణనాకర వాళ్ళకు మీ
టరి బంధ్లరాలు బహుపైజు అరగనవాళ్లు వాళ్ళకు నవరాత్రుల
రూపు చొప్పున పైజు అరగనవాళ్లు ఆదనాళ్ళ నవ్వుబోలిపోయి
వెలుగొచ్చి బుద్ధి శ్రీలక్ష్మి వ్యవసాయం వు కాంరాజరాజరాజ
గుర్తిలనకరకర్లు పి జంబరాంశి నొంరాంరాం ఆశిలువే వు.
సీలకొరాంరాం కాంయిరకరాశి బారిక్రం ట్లు నవ్వుబి ఎత్రిలో --

అయ్యుంచి నిత్యోపయోగకరమైన ఆకరాల్లో ఆకరాల్లో
కాలంలో కొనవలసినవాటిలో ఇది మొదటి చెంతనుండవలసిన
గుణంచాలి గ్రీకరాల్లో వాళ్ళకుల్లో వాంతి ఇచ్చినట్లు
వాళ్ళకు కొంచెమైనా వలసినవి పని చాలరాం తరిగిన్ది, మరి
యుగవాతాలకొరాంచిందులు రూపు పాయసగళ్ళకి పెట్టరాదు
ఇంతవరకు చాలదేమో అని తిరిగి చూస్తే తిట్టులో కొన్ని వాళ్ళకు
ఇంకా చూడని వాళ్ళకు వాళ్ళకు ఆదుగళ్ళకొల్లలో జాతి యుగాలు
పైకి చూసాలళ్ళకు వాళ్ళకు వాళ్ళకు తిరిగిన చూస్తే లాభ యుగాల
ప్రచారం చేసుకొని చూస్తే వాళ్ళకు వాళ్ళకు వాళ్ళకు ఇంకా
ఆ ఆచారంచేస్తున్నది చూస్తే లాభాన్ని వివియోగించి చేస్తే చూస్తే --
యూ లుచ్చిలేశగళ్ళకు సోరవేరికలు, నాస్తుగళ్ళకు సరిగా ఇస్తే తిట్టు
చెప్పి శ్రీలక్ష్మి ప్రతియుంచాలు చేస్తే శ్రీలక్ష్మి వాళ్ళకు
వెలిగే అరాలుచిద్రాలు సూర్యస్థాపనలాలు వచ్చినవాళ్ళకు

8. [illegible] నాకు [illegible]
[illegible] [illegible]

9. [illegible] [illegible]
[illegible] [illegible]

10. [illegible] [illegible]
[illegible] [illegible]

11. [illegible] [illegible]
[illegible] [illegible]

[illegible]

12. [illegible] [illegible]
[illegible]

13. [illegible] [illegible]
[illegible]

14. [illegible] [illegible]
[illegible]

15. [illegible] [illegible]

16. [illegible] [illegible]

17. [illegible] [illegible]

18. [illegible] [illegible]
[illegible]

19. [illegible] [illegible]

సంజనగుండు రాళ్లింపుల్లో నమిగే శ్రేణిలు

0. పూర్ణ కోలబళ్ళి చొల్లగవాళ్ళు వడియున్నప్పుడు వాళ్ళ మిలసుగళ్లు

4. పూర్ణ కోలబళ్ళి చొల్లగవాళ్ళు గ్రామదేవతగా జమిలా ళు.

2. పూర్ణ కోలబళ్ళి దేవరాయ శెట్టి ప్రశస్తాపదం పొంద మిలసుగళ్లు.

ఆరంభుల్లో రాళ్లింపుల్లో నమిగే శ్రేణిలు జమిలసుగళ్లు

3. కొప్పం సుండు కోలబళ్ళి రెరగళ్ళలి సహపంక్తి గ్రామ.

4. మేల్కండి రెరగళ్ళలి జడుశ్రేణి గే శ్రేణి వొంగా చొల్లగవడ్డి

5. మేల్కండి రెరగళ్ళలి జడుశ్రేణి గే శ్రేణి వేల్లప్పగవడ్డి

6. మేల్కండి రెరగళ్ళలి జడుశ్రేణి గే శ్రేణి వచ్చోగాడుండు

7. మేల్కండి రెరగళ్ళలి జడుశ్రేణి గే శ్రేణి వసులకొల్లడు.

చుగ్గడి చిల్లాసనకొల్లడి రాళ్లింపుల్లో నమిగే శ్రేణిలు

జమిలసుగళ్లు-

8. లగ్నసాగి గ్రామదవర్లు అసులుండు (2వ., 22గుం.) స్థలాంతరవేళ్ళ రెరజమిలసుగళ్లు -

సంశయాలు.

ఆంశయాల్ని గళ్ళ శ్రేణిల్ని శ్రేణి శిరంతర వాళ్ళగాని రాంతరాళి రాంతరాళి నాళ్ళ
రాంతరాళి శ్రేణిరంత శ్రేణిల్ని రాళ్ళ శ్రేణిరంత నంబరళ్ళ
రాంతరాళి రుగళ్ళిరంత రంతరంతరాళి రంతరంత గళ్ళు రాళ్ళ శ్రేణి
రాళ్ళు గాళ్ళన రాళ్ళ గ్రహశ్రేణిల్ని రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ
రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ
రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ రాళ్ళ

చూసేవాళ్ళు
మాట్లాడేవాళ్ళు
నాటకప్రదర్శకులు

Statement Showing the Surplus revenue from the r, Arkalgud Taluk, appropriated from 1874-1904-05 towards the loans granted to Mr. Basappa Military Balisha.

Year.	Amount.	Total.	Average for the period	Remarks
1st. period.				
1874-75	478			
1875-76	3698			
1876-77	1050			
1877-78	900			
1878-79	720			
1879-80	1644			
1880-81	1091			
1881-82	712			
1882-83	6891			
1883-84	1123			
1884-85	675	18,982	1,726	
2nd period.				
1885-86	1781			
1886-87	697			
1887-88	1298			
1888-89	3303			
1889-90	367			
1890-91	1671			
1891-92	79			
1892-93	5502			
1893-94				
1894-95	4485	19,183	1,918	
3rd. period.				
1895-96				
1896-97				
1897-98				
1898-99	4,972	4,972	1,243	
4th period				
1899-1900				
1900-01				
1901-02				
1902-03.	2186	2,186	546	
5th period				
1903-04				
1904-05	1086	1,086	543	

27 October 1906
Mysore

D. Saraman Rao

Amount of cl

me of Creditor	Principal Rs	Interest (upto end of August 06)	Costs.	Total
ational Bank, Mysore	6,000	7,190	70(	13,89
ity Bank, Mysore	13,000	8,323	1,331	22,65
rushottamanandagiri Gosai	14,000	13,055	..	27,055
	10,000	7,500	..	17,500
Venkata Rao.	8,000	7,440	..	15,440
navene Bai	10,000	6,715	.	16,715
Appaji Setty	18,000	8,860	.	26,860
Mr J. Narasimhiya	8,800	6,540	.	15,340
Mr. N. Narain Rao.	5,000	2,588	.	7,588
Vishnu Dass	14,000	10,532	-	24,532
	6,900	2,603	.	9,503
	1,13,700	81,346	2034.	1,97,080

Properties mortgaged as Security.

Chamarajs' House, Fort, mysore and (2) Building in Krishna Raj mohallah

House with Stables at Fort, mysore (2) Chatram Building, Devaraj mohalla, mys
mysore and (4) Yele Tota, mysore.
use with Stables at Fort, mysore (2) Chatram Building, Devaraj mohalla, mysor
) Yele Tota (5) Bahadur Chamarajs' house (6) House in Motikhana Street, m
hna Raj mohalla (8) Yedavankalli lands, Gundalpet Taluk, and (9) Bog
ur a lands in Nanjangud Taluk.
uilding at Sivakampet and (2) Arkalgud Inam villages

se with Stables at Fort (2) Chatram building at Sivarampet (3) Mavin Tota (4) Yele
marajs' house (6) House in Motikhana Street (7) House in Krishnaka,
lands and (9) Bogavalu Vadayanpura
uilding in Sivarampet and (2) Arkalgud Inam villages.
use at Fort with Stables (2) Chatram building in Sivarampet (3) Mavin Tota

and (2) Soppin Tota in mysore

se with Stables in Fort (2) Chatram building in Siva Rampet (3) Mavin Tota
Bahadur Chamarajs' house (6) House in Motikhana Street (7) Yedavana halli
Bogavalu Vadayanpura lands, and (9) House in Krishnaraj mohalla -
with Stables in Fort (2) Chatram building in Siva Rampet (3) Yedavana halli
d Inam villages (5) Belavatta lands (6) Honeyala Kayangutta village
Gundlepet Taluk
House with Stables in Fort (2) Chatram building in Siva Rampet
Chamarajs' house (5) House in Motikhana Street (6) House in Krish
avankalli lands (8) Bogavalu Vadayanpura lands (9) Ar
li Tota (11) Lands in Hadjan

(1) Sheregarrie Cutt Stable in Fort (2) Chatram ... (3) ...
(4) Gele Sola (5) Bahadur Chand ...'s house (6) House ...
(7) House in Krishnaraj Mohalla (8) Yedavankalli lands in Gu...
luk (9) Bozavalu Vodayanpura Lands (10) Arkalgud Lands and (11) ...
Lands in Gundlepet Taluk.

1. The Kayamputta village in Hosayala, Gundlepet Taluk.

D. Subbanna Rao

	Bronzehorn			81,34
	Sarvajanotardhini		4,925	4,86
	Bank, Mysore			
(12)	The Palace		3,728	2,818
	Total	122,353	89,024	2,034

Mysore, 27th October 1906.

ary No. of letter replied to 579.

neral and Revenue Secretariat
(Gen: Sec.)
, the 10th Septr 1906

Date of issue 10

Signed by W. M. Kentish

No. 76020-1
10 Septr 06

To Mr. D. Sitharamc
Chairman &
Supreme City
Improvement
Trust Board.

Sir,

Adverting to the c
ending with your letter
the 6th August 1906, &
the grant & an adva
Rs. 150,000/- for the settlem
of Bakshi Babakhaji
I am directed to request you th
as to submit at an ea
full information on the f
the extent & market v
all the properties belongi

the extent of encumbrances the
the Bakshis (2) (3) the soundness of
, title thereto, (4) the gross annual
come that may be expected
properties (5) the net income after
ducting expenses of management
interest at 4% per annum payable on the loan to be ga
by Govt
e made to the time within
hich the amount advanced
y Govt may be expected to
e reconped
(6) the arrangements necessary
for the management of
e properties.

2) I am further to requ
on to submit, in consult him
with the Govt Advocate, a draft, for
the approval of Govt of the
document to be executed by
Mr Balappaji Urs & his so
belonging to you, as Agent of Govt
the matter, an absolute
all the properties belonging
to them, with possession there of,

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

discharge by fair & at
Cost ~~not exceeding~~ Rs: 1,76,
in all, of the mortgages & de
subsisting, on the date of t
document, against the said
properties & the Bakshi pers
& of such other unsecured cl
as could be discharged out of
said total sum of Rs: 1,76,00

Secretary.

K.S.
31.8.06

Rule
7.9.6

No 96 2024
Gl Fin 29-05-10
R 10-9-06

OFFICE OF THE CHAIRMAN OF THE BOARD OF TRUSTEES,
FOR THE IMPROVEMENTS OF THE CITY OF MYSORE.

Mysore, Dated, 11th October 1906. *190*

FROM

D.Sitarama Rao Esq.,
Chairman of the Board of Trustees,
Mysore City Improvements.

To

K.Chendrasekhara Iyer Esq., B.A.B.L.
Secretary to the Govt. of H. H. the Maharaja
of Mysore, General & Revenue Departments.

SIR,

With reference to correspondence ending with your letter No.2020/Gl.Fin.29-05-10, dated the 10th Ultimo re- the settlement of Mr.Bakshi Basappaji Urs' debts,

I have the honor to enclose for information of Government duplicate copies of notices issued in the marginally noted suits

C.S.No.239 of '00-01/Exn.No.1141 of'05-'06.
C.S.No.487 of '02-03/Exn.No.126 of '06-'06.

from the Principal Munsiff's Court, Mysore, together with a copy of my letter No./90 dated 10th Instant to the Munsiff, in reply thereto.

I have the honor to be,

Sir,

Your most obedient servant,

D Sitarama Rao

Chairman.

1906

From

The Chairman,
Mysore City Improvement
Trust Board

To

The Secretary to the Government
of H. H. the Maharaja of Mysore,
General & Revenue Department

Dated 11th October 1906

Despatched "

General No. 191

Enclosure No. 3

Subject.

Enclosed for information
duplicate copies of Sum
mons received from the
Principal Municipal
Mysore in connection
with the affairs of Mr
Bakshi Basavaraja Urs

№ 190.

OFFICE OF THE CHAIRMAN OF THE BOARD OF TRUSTEES
FOR THE IMPROVEMENTS OF THE CITY OF MYSORE.

Mysore, Dated, 10th/11th October 1906

FROM

D.Sitarama Rao Esq.,
Chairman of the Board of Trustees,
Mysore City Improvements.

To

The Principal Munsiff,
Mysore.

Sir,

With reference to the marginal notices received with your letters Nos.171 and 178 dated respectively the 20th and 23rd Ultimo,

I have the honor to enclose herein, for the information of the Court, copy of Govt.Pro.No.FL8750-2/Gl.F. 29-05-8 of the 23rd June 1906, appointing me as Agent of Government to settle the affairs of Military Bakshi Mr. Basappaji Urs and to state that the matter is under investigation by me, and that no sooner funds are placed at my disposal by Government for the purpose, than steps will be taken to effect a settlement of the liabilities of the gentleman. I may add for the information of the Court that I have been requested in letter No.F12020/Gl.Fin.29-05-10 of the 10th Ultimo from the Secretary to Govt., General and Revenue Departments, to submit information on the extent and market value and other kindred points regarding the properties belonging to the Bakshi and am endeavouring to furnish the same to Government

---

tice No.A/1583 in C.S.No.239 of'00-'01/
m.No.1141 of '05-'06. and

tice No.A/1761 in C.S.No.487 of'02-'03/
m.No.126 of '06-'07 on the file of your
urt.

2. With this information, I hope the Court will do away with my personal appearance. The duplicate copy of the summons is sent to Government for perusal.

3. The original copies of notices under advertance returned with necessary endorsement of service thereon.

I have the honor to be,

Sir,

Your most obedient servant,

(Signed) D.Sitarama Rao,

B.R.

Chairman.

"Copy"

D Sitarama Rao

B.R. Chairman.

Sitarama Rao, Esq..
Agent of Government

K.S.Chendrasekhara I
Secretary to the
of His Highness
raja of Mysor

Sir,

With reference to correspondence ending with your letter No. [illegible] -10 dated the 10th [illegible] settlement of Mr.Bakshi Basappaji Urs's debts, I have the honour [illegible] below:--

2. Most of the immovable properti belonging to the Bakshi lie outside the Mysore City, and in the distant Taluks of Gundalpet, Nanjangude, Heggadadevana kote, and Arakalgude, and no systematic account exists with the gentleman regar ing them as to their annual yield, outla thereon, &c.; as such, the obtaining of correct and complete information on the market value of his properties, and the net income therefrom, will only be a ma ter of time. I am of opinion however that the information already collected

3. From statement (A) appended t
the report of Messrs.V.N.Narasimha R
and Narasinga Rao to Government, ~~1st~~ 6th da
~~1st~~ August 1904, it is seen that in the
ernment list supplied to them, the es
mated value of (21) 27 properties of Mr. B
sappaji Urs had been mentioned to be
nearly Rs.1,11,900/-. These valuations
are pointed out by Mr.Basappaji Urs to
considerably low, and his reasons, so
far as has been practicable to verify
are not without much force. As for in
tance, the lands in the Bogavalu Vod
napura village, Nanjangude Taluk, mea
ing 527 acres, 14 guntas, assessed at
Rs.333-8-6, had been shown as worth R
600, against the appraisal of Rs.17,0
at Rs.25 an acre, for the bordering l
in the Yedavanahalli village of the (
dalpet Taluk, measuring 682 acres 36
assessed at Rs.256-4-0. In fairness th
lands of Nanjangude Taluk should also
valued at Rs.25 an acre.

Again, the garden in Mysore (
72ac., 37g., inclusive of the later
-d the "Hundi Thota", measuring 2 ac
30 guntas, and assessed at Rs.138-9-
had been valued at an average rate of
Rs.143 per acre. Considering the impr
ments since effected thereto and the
of 1,000 areca and cocoanut, and 1,0(
mango trees-all bearing- and the buil
ing existing therin, an estimate of R
200 an acre does not certainly seem h

Also, the building called the
Mohall
"Chattram", opposite to the Devaraj
bet in Mysore, yielding a monthly ren
of Rs.200 or a net income exceedi

The previous Enquiry have estimated this at 10,000/-
R. Income 1,43,000/-

The previous estimate was 20,000/-

at least at Rs.33,000/. Thus the ab three items alone would go to raise original estimate of Rs.1,11,900/- 19,500/.

4. In the government list refe to in the above para, no value is s either for the lands in the five vi constituting the Tharagalale Jahgir the Arakalgude Taluk, or for the Kay Gutta village of Horeyala in the Gur pet Taluk. Survey Settlement has not introduced into either of them. Both these properties have been under gov ment management since 1871 and 1894 pectively, when a loan of Rs.60,000/ (since discharged) appears to have b granted on the security of the forme property, and Rs.7,000/ on that of th latter. In the absence of the origin authentic records of valuation by th local officers, I would tentatively mate these two Inam villages at Rs.6' or just the sum for which they had o been accepted as security.

Under rule, to be valued at only 12 years annual basis.

5. It has also been ascertained besides the 27 properties mentioned i the government list above referred to the Bakshi owns 12 acres 22 guntas of wet land, assessed at Rs.62-11-0 in th village of Lakkasoge in the Heggadade kote Taluk. This may be fairly valued Rs.2,000.

6. Thus the total value of the B shi's immovable preperties numbering in all may be provisionally taken to worth Rs.2,00,400/-, pending the asse

present correct value through suitable agency. Appendix, No.I, gives particula ...s to the extent, assessment, and the es ...imated value of each of them. The figu ...of extent and assessment given therein ...have been obtained from the records av... able with the Bakshi.

7. It has been observed in the Genl and Rev. Secretary's No. Fl.1842-3-Gl, Fin. 63-95 dated 24th September 1904 to Messrs. V.N.Narasimha Iyengar and Narasinga Rao, that the estimated annual income from the several properties of Mr.Basappaji Urs amounts to about Rs.3,500. This estimate appears to me to be far too low, seeing that the "Chatram" building alone in the Mysore City comprising 20 shops, always in demand, being centrally situated fetches a net annual rental of Rs.20(and that a clear income of not less tha Rs.4,410 per year is realizable, as computed below, from lands other than those in the Inam villages of the Arakalgude and Gundalpet Taluks, even taking the produce of bad years:--

Rs. 600....From 100 candies of paddy from 25 acres of wet land in Kararahalli, Gundal Tal and Lakkasoge in Heggadadevanakote Taluk.

Rs.2,100....From 420 candies of ragi, horsegram, and Bengalgram from the dry lands (of more than 850 acres in extent) comprised in Hundi Thota in Mysore, Belavatta and Hadjana in the Mysore Taluk Bogavalu Vodayanapura & Devarasettypura in Nanjangude Taluk and Kotekere, Banagavadi, Bargi and Yadavanahalli in the Gundalpet Taluk.

Rs.1,100....From 2,200 maunds of Seege and other minor produce of alternate from the jungles of B gi, Madavanahalli, an Manchahalli in Gundal Taluk and Bogavala Vo yanpura in Nanjangude Taluk.

Rs. 350....Average amount of gut of mango crop in the Hundi and Mavin Thota Mysore City, containi in all 1400 frit-bear trees.

Rs. 120....Yield from the vegeta garden in Mysore.

Rs. 140....Yield from betelnut a betel leaves of Yele (6ac., 8g.)in Mysore.

Rs.4,410.

Letter No.1185-Spl.audit 785 dated the 9th August 1897 from the Comptroller to the Govt. of Mysore to the Palace Controller.

Letter No.1030 dated 25th December 1895 from the Deputy Commissioner,Hassan District, to the Palace Controller.

Account of the Palace Loan to Mr.Basappaji Urs prepared by the Palace Dept. dated 9-5-05.

Memo dated 10-4-05 of the Hassan Dist., Deputy Commissioner, regarding the amount at credit of Mr.Basappaji Urs.

8. The accounts of the net incom from the Tharagale and other Inam vil in Arakalgude Taluk that have yet com under my investigation are not comple The appended statement, II, prepared on the marginally noted references sh the sums appropriated out of the surplus revenues of these villages from year 1874-75 to 1904-05 towards the p vious loans granted to the Bakshi.Acc ing to this statement the total reven for the 31 years comprised therein am to Rs.46,409 which gives an average o Rs.1,497 per year.This average is ind very low, and is due to the comparati ly small surpluses of the years from 1895-96 to 1904-05 entering into the culation. The material decrease in th net income, particularly in the last d cade suggests an enquiry as to whethe in that period there was really a fal ing off in the collections, or whether most part of the gross realisations w appropriated for the benefit of the l

realisations of this period has yet to be accounted for. Before this doubtful point is cleared, if it is stated that the annual net income from this estate could not be more than the above averag of Rs.1,497, I would unreasonably be diminishing the assured wherewithals for the repayment of the loan. I would hence estimate the net income from this Jhagi the lowest at Rs.2,000 a year, though the actuals might certainly work up hig er.

This was taken at 1500/- only

9. As for the Horayala Kayam Gutta village in the Gundalpet Taluk under the management of Government since 1895, it is learnt that the income almost equalises the expenditure. The only surplus item that may be counted upon is the revenue from the toddy trees amounting to about Rs.100 a year, said to have been recently decided in favour of the Bakshi

No credit was taken of this.

10. Thus the total net income from all the immovable properties may, as explained in paras 7,8,& 9 supra, be taken to be at the leat Rs.8,510; and in case they are taken up under the government

As against Rs: 3500/-

cement, and survey settlement is introduced into the Inam villages of Arakalgode and Gundalpet Talukes, and if the large unused area of about 604 acres in the Yadavanahalli and Bogavalu Vodayana pura villages of the Gundalpet and Nanjangude Taluks, now a jungle and more or less a shooting reserve, the result of neglect and fancy of the owner, is cleared and let for agricultural purpo

Survey & Settlement not yet introduced.

acres in the said villages, are converted into wet by making use of the Dyavalpura and Mirlekere tanks now restored and repairing the 5 large existing Katte at some initial cost, to be met from the sale of teak, honne, matti, and other timber trees now standing on the land, and lastly if the revenues are properly and judiciously controlled, there appears to be a sure prospect of the above estimated income increasing considerably.

11. Taking, however, the present resources alone into consideration which, as estimated above, amounts to Rs.8510/ a year, Rs.1470/- thereof will, at the end of the first year, be available towards the repayment of the proposed loa of Rs.1,76,000/-, and the balance of Rs.7040/- will fully meet the interest thereon at 4% per annum. And with each succeeding year, the repayment towards the principal will go on increasing on a progression, corresponding to the decrease in interest on the net loan outstanding, so that the loan with interes will have been discharged in full with 45 years, realising thereon at 4% per annum an interest of about Rs.2,05,000, or nearly Rs.29,000/- over and above tl principal itself. At 3½% per annum, that is, 6 annas in excess of the rate allowed on deposits in Government Savings Ba the said aggregate interest will, it m be observed without aiming at dead accuracy, keep up to the principal amount, and the period within which the loan m

made out that if interest is charged a
3% per annum, the loan of Rs.1,76,000/-
can be cleared off with the same estima
ed annual income of Rs.8,510/-, within
33 years. With these facts and observa-
tions, I leave it to Government to determ
what rate of interest ought to be levy
ed on the loan to be granted, in view
of the special circumstances of the ca

12. In connection with the anticipa
ed sources of repayments of the loan a
will be observed, I have not taken int
account Mr.Basappaji Urs' pay as Milit
Bakshi, amounting to Rs.4,800/- per ye
that has been unconditionally and unfl
ingly declared by him to be placed for
the purpose at the disposal of governm
That this item of Bakshi's resources as
as it goes
should be duly arranged to be secured
in the interests of the transaction is
unquestionable; but I propose laying i
by as a reserve fund either for approp
tion, as will be explained later on to-
wards the settlement of such portion of
the existing debts of the gentleman as
may not be found possible to discharge
with the government loan, or if such n
cessity is saved, to meet the deficiency
if any, in the revenue from the consta
items reckoned upon, arising from such
contingencies as drought, bad crop, etc.
in any year.

13. Each property of the Bakshi, ex
the three mentioned ~~on the~~ in the marg
is mortgaged to more than one creditor
and each such creditor holds as securi
for his loan more than one property. W

properties can only be viewed collectiv
ly; and the same amounts to Rs.2,13,411
as shown in the appended statement NoIII
Of this sum Rs.1,22,353/- represents th
amount of principal claimed by 12 credit
on account of the mortgage deeds in the
favour, Rs.89,024/- interest thereon up
to end of August 1906, and Rs.2,034/-,
court costs incurred for decrees obtain
ed by the National and City Banks of My
sore. The Bakshi has besides other debt
amounting to Rs.1,81,201/- owing by him
to 42 persons on account of monies rece
ed on pronotes, goods purchased, or worl
got done. His total liabilities thus
come up to Rs.3,94,612/-, or in round
sum to Rs.3,95,000/-, the settlement of
all of which come under the purview of
Govt. Order No.Fl.8750-2/Gl. Fl.29-05-8
of the 23rd June last, appointing me
on their behalf for the purpose.

14. The difficulties that beset this
settlement are varied and many. I have
already explained in my letter to goven
ment dated the 6th Agust 1906, what the
present attitude is of most of the cre-
ditors. Eleven creditors who hold no se
curity for their loans have already obt
ed Court decrees for sums amounting to
Rs.8o,373/-, of whom 5 holding decrees
for Rs.35,062/- have caused also warran
issued for attaching the Bakshi's pay, &
2 holding decrees for Rs.8,293 have re-
cently applied for similar processes,
as brought to the notice of Government
in my letter dated 11-10-1906. Under
these circumstances, I thought it advi-

silently and cautiously, without creat a stir on the subject of revaluation o the Bakshi's properties and their inco lest such information from the local o ficers, which I was certain to be far more favourable than what had already been recorded, should be known to the parties interested, and create in them a belief that, as they are, they are on the ground of vantage, and thus estrange them to the intended settlement.

15. Such as are the obstacles that lie in our way, it is still hoped that it is not altogether impossible to discharge all the liabilities of the Bakshi with the amount of Rs.1,70,000/-, proposed to be granted as loan on the security of his properties. But all the same, it is a safe thing to be provided with an extra fund to meet, when untoward circumstances confront, such additional payments as either expediency or absolute necessity would justify. For this purpose, I shall not invoke government for the grant of any supplemental loan, but only solicit its approval to utilise to the requir ed extent the amount of the following items, which have not been classed among those intended to contribute towards the proposed repayment of the loan:--

1. Such amount of Mr.Basappaji Urs' pay as Military Bakshi as may be ld in reserve, as per para 12 (I) such amount as the govt. may be pleased to advance in an- cipation of recouping it from

The unused balance of the net income from Tharagalale up to end of 1904-05, amounting to Rs.4,397-3-3 as mentioned in Hassan Deputy Commissioner's memo dated 10th April 1905.

The amount that may be ascertained from enquiry suggested in para 8, as having been left unaccounted for, out of the revenues of the Tharagalale estate during the 10 years of 1895-96 to1904-05

The surplus revenue from this estate for the year 1905-06, if any.

Surplus revenue, if any, from the Kayam Gutta village of Horayala since 1900.

The accumulated revenue from the toddy produce of this village for the last 10 years, said to have been kept in deposit.

The unused balance, if any, of the sum of Rs.1,000 remitted by Mr.Basappaji Urs in March 1887 into the Hassan District Treasury and learnt to have been subsequently transferred to the credit of the Executive Engineer, Hassan Division.

The amount available out of Rs. 1,609-6-11 deposited by the Bakshi in the Palace Treasury, and requested by the Comptroller to be sent to the Mysore District Treasury in April 1890.

The compensation, if any, payable for the Bakshi's lands at Belava

In case the above proposal meets with the approval of government, needful arrangements will have to be made to withhold all sums at the credit of Mr.Basappaji Urs in the government treasuries, and not to disburse them or any portion ~~of yyyy~~ thereof without a reference from me.

16. As for the arrangements necessar for the management of the Bakshi's properties, I think it would suffice, if the provisions of sections 150,166,& 167 of the Mysore Land Revenue Code be, Mutatis mutandis, applied in their case, treating the loan to be granted as a lo: under section 104 of the said Code. But as the properties are, as observed elsewhere, situated in five different Taluk: of the State, an arrangement under whic the management can be controlled by a central authority, seems to me to be ex pedient. I would recommend in this connection that, out of the 28 properties specified in appendix I of the report, all of which are offered, and to be taken as security for the loan to be gran ed, the government may be pleased to allow Mr.Basappaji Urs the possession and enjoyment of the marginally noted four buildings, in sufference of the gentleman's feeling of prestige, and also make him the superintendent of the estates, with a suitable defined work, under the directions of the Deputy Commissioners of Mysore and Hassan.

Secretary's letter under reply, I be
to submit that I construe that the d
leed therein mentioned, is the draft
a deed to be executed by Mr.Pasappaj
and his son, conveying all their imm
le properties absolutely to the unf
ered possession , enjoyment, and ma
ent of government, with the understa
ng that, after the loan to be grante
s fully recovered, they are to be recon
d to them or their heirs. As such, I
n ~~under the~~ under the impression tha
ne draft deed already in the Secreta
le will answer the purpose. I shall
e obliged if it is sent to me, so th
may go over it again and suggest any
difications that may be found necess
consultation with the Government Ad
cate.

In conclusion, I beg to point
t that the question has been under c
leration in various forms for over 8
rs since February 1899, and the earl
ecision is arrived at one way or th
er, the better will it be for all p
s concerned.

I have the honor to be,

Sir,

Your most obedient servant,

D Sitaramaiah

G.R.C. 2

File No. 29
Serial No. 5.

General and Revenue Secretariat

, the 17-7- 1907

Date of issue 17.7.07

Signed by M. Krishna Rao

To

To
M. D. Seetharamiah
Chairman, of the
Mysore Improvement
Trust Board.

Sir,

With ref to correspondence
regarding the settlements of the
debts of Mr Bakshi Basappa
Urs, I am with your letter
no B.G. 15 70-06 I am
directed to state that the
arrangement which the
Govt of H.H. the Maharaja
are prepared to sanction
is as follows:-

(1) Rs 125000 the advance
by Govt at 4 p.c. secured
on the Bhathis immovable

2, repayable in yearly
talments of Rs 6000
a half of any excess over
6000 derived from the
income accruing from the
roperty and the allowance
f Rs 48000 (pay as
ilitary Bakshi)
Rs 51000 to be advanced
from the Palace funds repay
from the Palace stipend f
the other half of any excess
income accruing as det
above.
. The Bakshis immoveat
property to be taken und
Sarbarahkar management, thi
three residencies being
reserved for the Deenpa
~~His to be understood~~ I am
to add that the arrang
outlined above is subj
to the legal position
reserved to the G

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

Novocastle of the 23rd
Aug 1906, reproduced
the margin, being
definitely secured o
the properties taken ov
free of encumbrance
and to definite ass
being forthcoming tha
the debts can be fina
extinguished for the
sum of Rs 176000,
mentioned above —
your letter under rep
You have only ma
a statement u
a comparison fo
the amount specified
is " not altogether impos
I am to state that
at first desire, I have a
more definite assura
in the matter
before advancing
the loan which
they are prepared
sanction —

17/7/07

(R 19.9.07
Finl Se

C O N F I D E N T I A L.

(16)

Office of the Chairman of the Board of Trustees
for the Improvement of the City of Mysore.
Mysore, Dated 25th July 1907.

From

D.Sitarama Rao, Esquire,
Chairman of the Board of Trustees,
Mysore City Improvements, M Y S O R

To

U.L.Majumdar Esquire, M.A.,
Financial Secretary to the Government of His
Highness the Maharaja of Mysore.

Sir,

In acknowledging the receipt of your letter No.Fl.1 of the 17th instant, marked "confidential", I have the honor to state as follows:--

1. With reference to your observation therein that Gov ernment desire to have a more definite assurance as to whethe the debts of Mr.Bakshi Basappaji Urs can be finally extinguis ed for Rs.1,76,000/-, all that is possible for me is to induc and prevail upon the creditors to compound their claims, fore going as much of their debts as possible.

2. Under the scheme of liquidation I had in view and to which I had referred in a way, in paras 12,14, and 15 of my report No.B of 29-10-1906, I had full hopes that a final settlement of all the debts of Br.Basappaji Urs might be effe ed. Now that I infer from your letter that Government is not inclined to accept my proposals in toto, but count upon the unreliable item of Mr.Basappaji Urs' pay to go regularly to- wards the repayment of the intended loan, it will be a matter of difficulty to settle all the debts, both secured and insecu ed, within Rs.1,76,000/- only. I cannot, therefore, give any definite assurances. But this much I may say-- that every ible endeavour will be made to settle the debts within t

the above sum, and that I have fair hopes of effecting a final settlement with the amount to be placed at my disposal.

3. As for the security to be obtained for the intended loan, Mr.Basappaji Urs and his son have already assented in writing to convey all their immovable properties to Government under any terms the Government may impose, and in any form the Government may prescribe. In this connection, I beg to invite the attention of Government to para 17 of my report No.B. I may mention also that the sentence "a sale deed may then be obtained from Br.Basappaji Urs for the amount thus advanced" in the Government Avocate's U.O. No.3 of 06-07 dated 23-8-1906, is not intelligible to me, when it is the avowed object of Government to advance to the Bakshi a sum at 4 per cent, secured on his immovable property, repayable in yearly instalments.

4. Regarding the conditions laid down by Government in para 1, clauses 1 & 2 of the letter under reference, I have communicated the same to Mr.Basappaji Urs, Bakshi. He desires that, either his pay as Bakshi, or his Palace Stipend, may be left to him to live upon; and I consider his request is a reasonable one.

I have the honor to be,

Sir,

Your most obedient servant,

Chairman.

E.S.S.

(17)

File No.

Serial No.

Diary No. of letter replied to_

Do

No. H408

30-7-07

General and Revenue Secretariat

(

the 190

To

Sir,

With ref to para 2 of your letter 910 of the 25th inst stating that as Govt "count on the recoverable item of Mr. Basappaji's pay to go regularly towards the repayment of the intended loan, it will be a matter of difficulty to settle all the debts, both Secured and Unsecured, within Rs.176 or" I am directed to state that Govt have no objection to your applying Mr. Basappa's pay as Military Bhakshi & discharging his Supplementary debts as proposed in para

Date of issue

Signed by

your letter of the 19th Oct 06,
but they would like to kn
the probable period, the fun
which would be requir
for the purpose. After
expiry of such period, this inc
of Mr Badappaji was no
apprehension in the Conclusi
portion of para 12 of your lett
the 19th Oct 1906, so toward
the reduction of the loan t
advanced by Govt. with
Mr Badappaji's pay.
Military Bhattiji at you
disposal for meeting his u
secured debts, ~~for such pur~~
~~as may be found necessa~~
am to enquire if you c
definitely assure Govt th
all the debts of ~~the~~ the B
can be extinguished for th
sum of Rs 176000 & the other
~~sources~~ funds mentioned in para
your letter of the 19th Oct 06

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

2 It is not clear whether in estimating for the net annual income from Mr. Basappaji Urs' Estate any provision has been made for the necessary periodical repairs to the house property valued at about Rs. 70,000. If not an amount estimated as necessary for the purpose will have to be excluded from the net revenue now taken calculated as available for payment of interest and reduction of the loan. I am to request you to kindly furnish information on this point.

3. As regards the legal point mentioned in para 8 of your letter under reply, I am to state that it may be settled in consultation with the Govt. Advocate.

Can you not tell the correct details of the exact procedure to be followed in consultation with the Govt. Advocate & communicate them to us when letting us have the information of para 2 ?

4. I am to request the favour of an early reply to

(18)

MYSORE,
Dated 1st August 1907.

Sir,

8476

With reference to your D.O. communication of the 30th July 1907 in re the liquidation of Mr.Bakshi Basappaji Urs' debts, I again bring to your notice that I have recorded in several communications on the subject matter the method by which the debts can be discharged. I do not see what further assurance I can give to the Government.

The actual income from the Chattram building at Mysore is Rs.200 a month or Rs.2400 a year; but only Rs.2,000 is taken into account of realisation leaving the balance of Rs.400 a year for the repairs of the building.

The buildings under the occupation of the Bakshi will necessarily be kept under repairs from the monthly allowance to be allowed to be enjoyed by him

As suggested, necessary documents for the transfer of the properties to Government, will be got executed in consultation with the Government Advocate.

Yours Sincerely,

V. Sitaramarao

U.L.Majumdar Esquire,M.A.,

Financial Secretary to the Government of

His Highness the Maharaja of Mysore.

Endorsement No.Fl.650 dated the 1st September 1903 informing Mr.Basappaji Urs, Palace Military Bakshi, that the Government would give a loan up to the limit of Rs.125,000 on the security of his properties, to relieve him of his pecuniary embarassments, provided he agreed to place his affairs in liquidation in the hands of 2 trustees to be appointed by Government and his creditors would receive a rateable portion and give discharges in full satisfaction of their debts.

2. Letter No.17 dated the 5th August 1904, from Messrs V.N.Narasimmiengar and H.Narsingha Rao, trustees appointed by Government for the settlement of the debts of Mr.Basappaji Urs expressing their inability to adjust the debts of Mr.Basappaji Urs with any-

anything less than Rs.176,000.

3. Letter No.7 dated the 12th July 1905 from Messrs B.Ramakrishna Rao and H.Nanjundaraj Urs, trustees appointed in Govt Order No.Fl.4247-8/RF 63-95 dated the 9th January 1905 for the settlement of the debts due by Mr.Basappaji Urs, reporting that no settlement can be effected ~~to~~ the creditors within the limit of Rs.125,000 proposed to be advanced by Government and suggesting that Govt might withdraw the offer to settle the Bakshi's affairs.

4. Govt Order No.Fl 3271-4dated the 21st November 1905 appointing Mr. H.Nanjundaraj Urs sole trustee for the settlement of the debts due by Mr.Basappaji Urs and affording his creditors one more opportunity to come to an acceptable settlement.

5. Letter No.166 dated the 4th January 1906 from Mr.Nanjundaraj Urs, reporting that, as the majority of the

the creditors were not agreeable to come to any understanding on the line suggested in the preceding Govt Order the offer to grant the loan may either be withdrawn or an additional amount Rs.20,000 sanctioned to relieve Mr.Basappaji Urs of his liabilities.

6. Govt Order No.Fl.8750-2 dated the 23rd June 1906 appointing Mr.D.Sitaram Rao, Chairman of the Mysore City Improvement Trust Board, as agent on behalf of Government to settle/~~sett~~ the affiars ofthe.Bakshi, and requesting him to report what steps are necessary to relieve Mr.Basappaji Urs of his embarrassments, what the correct value of the properties of that gentleman is and what amount is required to be advanced in order to relieve him completely of his liabilities.

7. Letter No.A dated the 6th August 1906 from Mr.D.Sitaram Rao reporting that any attempt at inducing

all the creditors of Mr.Basappaji Urs to receive a rateable portion of the debts due to them is impracticable but they are willing to come to reasonable terms provided prompt payment of the amount settled is made and suggesting that it is advisable to settle at once the accounts of such of the creditors as may agree to the terms proposed to be offered by Messrs V.N.Narasimmiengar and H.Narasinga Rao, in their letter No 17 dated the 5th August 1904.

8. Letter dated the 29th October 1906 from Mr.D.Sitaram Rao, submitting a final report on the following points:-

i) The extent and market value of all the properties belonging to the Basappaji Urs,

ii) the extent of the encumbrances subsisting thereon,

iii) the soundness of his title -- thereto,

iv) the gross annual income that may be expected from the properties,

v) the net income after deducting expenses of management and interest at 4 per cent payable

on loan to be given by Governmen

vi) the time within which the amount advanced by Governm may be expected to be recov ed and

vii) the arran ements necessary f the management of the proper ties.

Order thereon No Jl 861-7 Gthu 29-05

Dated 21st August 07

Mr.D.Sitaram Rao estimates the total liabilities of Mr.Basappaji Urs at Rs.394,612 and is of opinion -- that it is not altogether impossible to discharge the whole debt with a loan of Rs.176,000. His estimate of the value of Mr.Basappaji Urs'immovable properti is Rs.200,000 and of the annual income therefrom is.Rs.8,500.

2. The principal points for consideration are:-

(i) whether the loan can be -- be granted from State funds, and (ii) whether the loan asked for viz.,Rs.

Rs.176,000 is sufficiently covered by the security offered. Strictly speak-ing the State is under no obligation to grant such loans, but in certain special cases of Inamdars whose estates it is undesirable should pass into the hands of their creditors, the Governmen have as a matter of concession given them advances to enable them to retain possession of their property. The circumstances of Mr.Basappaji Urs' case justify in the opinion of the Government the extension of this concession to it.

3. As regards the sufficiency of the security offered and the net income available for repayment of the loan, it is observed that there is wide difference between the estimates made by the trustees appointed in 1904 and Mr.D.Sitaram Rao. Messrs V.N.Narasimhiengar and H.Narasing Rao were of opinion that the market value of Mr.Basappaji Urs' property did not go beyond Rs. 31,000 or the income beyond Rs.3,500 per annum. Mr.Sitaram Rao, however, estimates the value of the properties at about 2 lakhs and the annual net income

income at Rs.8,510. The Government are disposed to think that the revised estimate prepared by Mr.D.Sitaram Rao is perhaps a little too sanguine and has therefore to be accepted with a certain degree of caution and that a safe estimate of both property and income is to be found in a valuation midway between the former and the present one. On this principle it seems safe to assume that the immovable property is worth not less than Rs.165,000 with an annual income of at least Rs.6,000, which may be expected to be exceeded within a very short period of methodical management.

4. On this calculation a loan of Rs.176,000 from Government fund would not be justifiable. On the other hand, there is no reason why the Govt should not grant a loan of Rs.125,000/, the amount which was actually sanctioned and provided in 1903. This leaves a ba-

balance of Rs.51,000 which His Highness the Maharaja has been pleased to signify his willingness to advance from the Palace funds, the amount being repayable from the Palace stipend and from another source mentioned below.

5. As regards the rate of interest to be paid on the loan granted from the State funds, Government consider that, in the special circumstances of the case, a rate of four per cent is justifiable. At this rate of interest and with an annual income of Rs.6,000 the loan of Rs.125,000 may be expected to be repaid in about 46 years . But there is reason to hope that the annual income will, with careful management, exceed Rs.6,000 and Government consider that any such excess should be devoted first towards the necessary annual repairs to Mr.Basappaji Urs' house property and then the reduction of the principal of the 2 debts,

Government and Palace, in equal propo:
-tions.

6. Government observe that
Mr.D.Sitaram Rao contemplates the pos-
sibility of having to utilize the Gov
-ment allowance of Rs.4,800 payble t:
Mr.Basappaji Urs, as well as certain
other items mentioned in para 15 of h
final report, for the payment of debts
outside the Rs.176,000. There is no
-jection to this arrangement for the
present, but after these debts have
been paid off, this amount should also
be made available for the repayment o:
the debt due to Government.

7. The arrangement which the
Govt of H.H.the Maharaja are pleased
sanction may then be summarised as fo:
lows:-

(i) A sum of Rs.125,000 to be ad-
vanced by Government at 4 per cent in-
terest on the security of the Bakshi'
immoveable property valued at Rs.1650

and upwards repayable in yearly instal-
ments of Rs.6,000 plus the half of any
excess over Rs.6,000 derived from the
income ~~accruing~~ accruing from the property af-
ter the necessary provision for repairs
and the allowance of Rs.4,800/-

(ii) the Bakshi's immoveable proper
ty to be taken under Government manage
ment, his three residences being re-
served for his occupation.

8. The main object of the
arrangement outlined above is to free
Mr.Basappaji Urs from the whole of his
liabilities and at the same time to se-
cure the repayment of the amount advanced
for the purpose from the income from
his immoveable properties which are to
be mortgaged to Government, and as it
is reported that all the creditors can
-not be induced to accept any definite
proportion of the debts in full satis-
faction of their demands, the next best
mode of accomplishing the said object

is to buy up all the debts or in other words to obtain assignments of the -- debts from the creditors each of whom should be induced to forego as much of the amount due to him as possible. Mr. Sitaram Rao should then obtain from Mr Basappaji Urs and his son an absolute sale to Government of all the properties mentioned in the schedule annexed to this order with possession thereof, the consideration being the discharge, at a cost of Rs.176,000 in all , ~~of the~~ of the mortgages and decrees subsisting on the date of the document, against the said properties and the Bakshi personally and of such other unsecured claims as could be discharged out of the said total sum of Rs.176,000. The ~~sum~~ agreements of Mr.Basappaji Urs and his son, will not however be entitled to claim any balance that may be left over out of the above sum after discharging the aforesaid liabilities.

9. The Comptroller is requested to place a sum of Rs.1½ lakhs from the State funds at the disposal of Mr.Sitaram Rao, for the purpose of settling finally, with the amount to be obtained from the Palace, (1) all debts secured by first mortgages on immoveable properties, (2) those secured by second and subsequent mortgages on the same immoveable properties, in order of their dates, and for getting the documents transferred to Government from those legally entitled to do so, taking care, at the same time, to see that if any of the lands or other properties be placed under attachment by any of the creditors the same are freed from attachment before the conveyance is effected. The balance, if any, after meeting these two classes of debts, together with the amounts referred to in para 15 of Mr.Sitaram Rao's letter dated 19th October 1906, will be equitably appropri

appropriated for the discharge of (3) the debts based on pronotes, and (4) the tradesmen's dues and other similar dues.

10. Mr.Sitaram Rao may use his discretion as regards making disbursements in particular cases and obtaining a conveyance of the securities in favor of Government from the creditors, even before the deed of sale has been executed and duly registered, -- should he consider such a course is -- likely to tend to a reduction in the amounts that would be accepted by the creditors. But the sale deed may be taken from Mr.Basappji Urs and his son, as soon as the assignments of the secured debts are obtained and such of the lands as may be under attachment are freed from the same, so that they may not be again placed under attachment by any of the dissatisfied unsecured creditors. The immovable properties will be administered by Government agency. Mr.D,Sitaram Rao is requested

requested to suggest, in consultation with the Deputy Commissioners of Districts in which the properties are situ-ate, proposals for their efficient administration.

12. Mr.D.Sitaram Rao is requested to draw up, in consultation with the Government Advocate, the deed of conveyance to be executed by the Bakshi and his son and submit it to Government for approval. He will also take the same officer's advice on all legal aspects of the transactions.

Finl.Secretary.

To

The Comptroller in Mysore.
" Officer in charge of the Palace Establishments.
" Deputy Commissioner, Mysore Dt
" Government Advocate.
Messrs D.Sitaram Rao and Basappaji Urs.
The Dy.Comr, Hassan District.

-	Devarayasetti pura	Dry	10	28	9	.	50	5
Kalgud	Taragalale (sartamanya)							
"	Sanabhoganahalli						Not	60,00
"	Mallappanahalli						ascertained	
"	Hennur							
"	Sulagodu							
Devarkota	Laksoge	Wed	12	22	62	11	New acquisition	2,00
	Total						41,906	127,40
	Houses in the City of Mysore							
g called Chattram opposite to Devaraj Market							30,000	33,000
Bahadur Khans Urs House							10,000	10,00
occupied by Mr Basappaji Urs in Fort							20,000	20,00
in Mokhkhana street Fort							5,000	5,00
ached building with stables in Krishnaraj Mohalla							5,000	5,00
	Total						70,000	73,000
	Grand Total						1,11,90	